

A Week in the Horn

16th May 2014

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News in Brief

African Union

A three-day global conference on "Building Resilience for Food and Nutrition Security," organized by the International Food Policy Research Institute, was opened by Ethiopia's Prime Minister Hailemariam Desalegn on Thursday (May 15) in Addis Ababa. (See article)

The African Union Peace and Security Council, in a meeting last Friday (May 9), renewed support for the Doha Document for Peace in Darfur, calling on the non-signatory rebel groups to enter negotiations with the Sudanese government. It also called on rebel groups in Darfur to join the national dialogue process launched by Sudanese President Omer Al-Bashir in January.

Ethiopia

Ethiopia's Ministry of Finance and Economic Development welcomed its first sovereign credit ratings from three leading global rating agencies, Fitch, Standard & Poor's, and Moody's. They gave the country a Default Debt Rating (IDR) of 'B' with an outlook of stable. (See article)

The third Ethio-Yemen Joint Ministerial Commission meeting was held in Sana'a, the capital of Yemen this week (May 14 and 15). Foreign Minister, Dr Tedros, led the Ethiopian delegation. Dr Tedros held meetings with President Abdu Rebu Mansour Hadi, Prime Minister Mohammed Salem Basandwah, and Ethiopian community representatives. (See article)

The World Bank's Board of Executive Directors on Tuesday (May 13) approved a US\$250 million IDA credit in support of the Government Competitiveness and Job Creation Project, aimed at creating new jobs and increasing competitiveness in the light manufacturing sector.

Ambassador Woinshet Tadesse, Ambassador of Ethiopia to Sweden and other Nordic Countries, presented her credentials to the King of Norway, H.M Harald V, on Thursday (May 8).

The Ambassador of Ethiopia to Ivory Coast and accredited to Mali, Dr Yeshimebrat Mersha presented her credentials to President Ibrahim Boubacar Keita of Mali on Tuesday (May 6).

Turkey's Anadolu Agency (AA) officially inaugurated its **new regional bureau** in Addis Ababa on Monday (May 12) as part of the agency's plans to bolster its Africa coverage. The bureau will be the agency's biggest in Africa after Cairo and Tunis.

Ethiopian Airlines has announced a 40% cut in costs of flights to local tourist destinations in Ethiopia.

The Chairman of the Egyptian State Information Service, Ambassador Salah A.El-Sadek, said in an interview that public media in Egypt and Ethiopia should work hard to ease disputes and strengthen reciprocity between their peoples. He said the Nile could be a bridge for Ethiopia and Egypt to strengthen bilateral relations.

Djibouti

During his visit to Washington last week, President Ismail Omar Guelleh met with US Defense Secretary Chuck Hagel and Army General Martin E. Dempsey, Chairman of the Joint Chiefs of Staff, at the Pentagon on Wednesday (May 7) for discussions on regional security.

Kenya

Chinese Prime Minister Li Keqiang, on the final day of his African tour (Sunday, May 11), signed an agreement with President Kenyatta on the financing of the first phase of the Standard Gauge Railway project from Mombasa to Nairobi as well as other deals covering development projects and the boosting of trade ties.(See article)

Somalia

President Mohamud chaired the first High-Level Partnership Forum executive meeting on Friday last week (May 9) to review progress in achieving activities outlined in the New Deal Compact, Vision 2016 and the Peace and State building goals in Somalia. (See article)

President Mohamud visited Kampala at the weekend to meet President Yoweri Museveni for talks on bilateral relations and the fight against Al-Shabaab. He was accompanied by the Minister of Defense, the Army Commander and other officials.

The IGAD Special Envoy to Somalia, Ambassador Mohamed Abdi Afey, paid an official visit to Kismayo on Sunday (May 11) and held discussions with Jubaland officials on security and consolidation of the Jubaland peace process.

Congress member Karen Bass, Ranking Member of the US House Subcommittee on Africa, welcomed the agreement between President Kiir and Riek Machar, thanking Ethiopia's Prime Minister Hailemariam "for his tireless efforts to mediate a peaceful and sustainable end to the conflict."

An Australian warship, part of the international Combined Maritime Forces, has seized 450 kilograms of heroin worth over US\$130 million from a Somali pirates' boat. The seizure came three weeks after Australian and British ships found 1,032 kilograms of heroin on a dhow off the coast of Kenya. Both were apparently intended to fund Al-Shabaab activities.

South Sudan

South Sudan President Salva Kiir and former Vice-President, Riek Machar, signed a new IGAD-proposed peace agreement after earlier talks with Ethiopia's Prime Minister Hailemariam, the IGAD Chair on Friday (May 9) in Addis Ababa. (See article)

South Sudan President Salva Kiir has announced that the general elections scheduled to be held next year will be delayed until 2017 due to continued instability and violence in the country.

A dialogue is underway between IGAD Special Envoys and the recently released former SPLM officials detained in Juba. The Chair of the IGAD Special Envoys, Ambassador Seyoum Mesfin said the crisis in South Sudan could only be solved through an all-inclusive political process.

Sudan

Sudan's Minister of Investment, Dr Mustafa Osman Ismail, said at the meeting of the Sudan-Ethiopia Forum in Khartoum last weekend that the environment was conducive for establishing good economic relations and increased integration between Sudan and Ethiopia.

Ethio-Yemen Joint Ministerial Commission meeting convenes in Sana'a

The Fifth Ethio-Yemen Joint Ministerial Commission meeting was held in the capital of the Republic of Yemen, Sana'a, on Wednesday and Thursday this week (May 14 - 15). The Ministerial meeting was preceded by the deliberations of the Joint Technical Committee whose discussions focused on efforts to turn the traditional friendship, historic relations and bilateral cooperative partnership of the two countries into a comprehensive, forward-looking and strategic relationship to advance the cause of sustainable prosperity and the betterment of the lives of the two peoples. The four sub-committees of the Joint Technical Committee met earlier (May 11-13) to look at ways to expand bilateral relations and strengthen cooperation in trade, investment, culture, tourism, services, agriculture, science and technology, social insurance, customs and consular affairs, as well as justice and broadening the areas of partnership. The Joint Technical Committee was made up of a number of experts from different Ministries and Government Agencies in both countries.

The Joint Ministerial Commission Meeting was co-chaired by Dr Tedros Adhanom, Foreign Minister of Ethiopia, and Dr Abubakir Abdulah al Qurbi, Foreign Minister of the Republic of Yemen. In his opening address, Dr Tedros expressed his gratitude to the people and the Government of the Republic of Yemen for their warm welcome. He noted Ethio-Yemeni relations were marked by a long chain of links, of civilization, culture, tradition, history and religion. He characterized the relationship of the two countries and peoples as "natural and historic". Expressing his satisfaction at their long-standing relations, he nevertheless stressed that both countries should intensify and increase their engagement to encourage enlargement and development of trade, businesses, investment and services, as well as coordinate and accelerate efforts to avert underdevelopment, instability and insecurity, and expand areas of cooperation, initiating programs for detailed exchanges of views to sustain the mutually cooperative partnership of the two countries.

Dr Tedros welcomed the Joint Technical Committee's evaluation and assessment of the implementation of previously signed agreements and its exploration of possible new areas of cooperative partnership. He indicated that the Ministerial Commission meeting and other consultations could contribute a lot to improvement and empowerment of the lives of the two peoples. He called on both sides to involve their people in order to fully utilize the potential resources of both countries. He emphasized the need to pay due attention to the involvement of their respective private sectors to turn the traditional partnership into something more dynamic and fruitful. To implement the objectives of the Joint Ministerial Commission, he said, both sides must recognize that frequent, timely consultations and regular meetings as well as other follow-up mechanisms were of special significance in development of bilateral relations and promotion of further cooperation. He confirmed that Ethiopia, which had made impressive economic development in recent years, would rededicate its efforts to the implementation of all agreements, executive programs and plans of action.

Dr Tedros, referring to regional affairs, said that Ethiopia was committed to the creation of conditions which would allow for the opening of a new chapter of durable peace and stability in the Horn of Africa and the Southern Red Sea region. He detailed the recent developments related to regional peace and security in the Horn of Africa. He stressed that the Government of Ethiopia had been supportive of stabilization efforts in Somalia and the fight against Al-Shabaab insurgents. He urged the region and the international community to deliver humanitarian assistance to the people of Somalia and provide support to strengthen the institutions of the Federal Government of Somalia. He also noted that Ethiopia had devoted much time and effort to supporting the IGAD-led mediation efforts to end the crisis in South Sudan and bring lasting peace and stability there. He said Ethiopia was fully supportive, in collaboration and close cooperation with IGAD member countries and international partners, to the political dialogue to resolve the ongoing violence in South Sudan. He said the crisis in South Sudan could only be remedied by sustained negotiations and accommodation between the two warring parties. Dr Tedros pointed out that the Government of Ethiopia also recognized the importance of a peaceful political solution to bring to an end to the stalemate over the Ethio-Eritrea border conflict. He emphasized that Ethiopia had always attached central importance to dialogue to end the deadlock

over the border conflict, but, he said, the Government of Eritrea remained obdurate and deaf to all calls for a peaceful political dialogue to resolve the issue.

Dr Abubakir Abdullah al Qurbi welcomed Dr Tedros to Sana'a and praised Ethiopia's leadership in upholding the vision of the late Prime Minister Meles Zenawi. He said the role played by Ethiopia had helped the country accommodate the concerns, aspirations and interests of its neighbors on the basis of mutual benefit as well as encouraging its efforts to build a region of lasting peace and shared prosperity. He reiterated the significance of Ethiopia's federal system as a means of empowerment and engagement of the different nations, nationalities and peoples in the country. Dr al Qurbi said Yemen was moving towards an inclusive and participatory political system and he indicated it would like to draw lessons from the experiences of different countries including Ethiopia, in order to avoid potential problems in the future.

Dr al Qurbi said Ethiopia and Yemen had failed to benefit fully from their bilateral relations in previous years. He said it was now high time to strengthen the pragmatic cooperation in trade and economic areas and work to contribute to the economic growth and prosperity of the two countries. He said they should reactivate the Sana'a Forum for Cooperation, noting that the Forum would provide additional impetus to deepen economic and trade cooperation and promote sustainable development. He applauded Ethiopia's constructive engagement and enhanced support to the stabilization of Somalia. He expressed his thanks to the Joint Technical Committee for their work in drawing up various agreements, implementation programs and project proposals. He said he believed that translating agreements and implementation programs into action would speed up their economic interconnectivity, and he explained that the current Joint Ministerial Commission Meeting could be considered as the beginning of real furtherance and development of the bilateral relations of Ethiopia and the Yemen.

Dr Tedros agreed with Dr Abubakir Abdullah al Qurbi on the importance and indispensability of reactivating the Sana'a Forum for Cooperation in order to create favorable conditions for deepening and expanding the areas of partnership between member countries. He said the framework of the Sana'a Forum would help member countries meet together and serve their fundamental interests and the needs of their peoples. Dr Tedros praised the progress made by the Government of Yemen in its efforts to promote political dialogue, and he assured the meeting that Ethiopia would extend sustained and firm support to the steps taken by the Government and people of Yemen. He also expressed his pleasure that Ethiopia had recently been able to share matters of best practice on federalism with a Yemeni delegation in Addis Ababa. He emphasized again that the Government of Ethiopia was ready to share its experiences in federalism and constitution-making with Yemen.

On Thursday (May 15), the Joint Ministerial Commission meeting concluded with the signing of a communiqué committing both sides to enhanced trade and investment and to co-operate in a wide range of areas. Both sides noted with satisfaction that Ethiopia had made enormous contributions to the peace and stability of the Horn of Africa. They strongly rejected all violence, extremism, and international terrorism, and stressed the two countries must work together in the fight against terrorism. Both sides emphasized the need to hold regular consultations as well as review the signed agreements to keep their bilateral relations vibrant and active. They agreed to reactivate the Sana'a Forum to extend bilateral relations into a regional partnership to provide increasing strategic depth and regional and global significance. Seven Memoranda of Understanding were signed covering Agriculture, Social Insurance, Manpower Exchange, Youth, Women and Education. Both parties noted their commitment to the promotion of social security, the development of agriculture and agribusiness, the creation of opportunities for people to work in each other's countries, empowerment of youth, women and children and the establishment of bilateral cooperation between their institutions and research centers. In addition, three executive programs were signed on Housing, Urban and Municipal Development, and Culture and Tourism.

Global Conference on Food and Nutrition Security in Addis Ababa

A three-day global conference, entitled "Building Resilience for Food and Nutrition Security," opened on Thursday (May 15) in Addis Ababa. Bringing together more than 800 experts and practitioners of the food, nutrition, health, agriculture, humanitarian, and related development sectors from 75 countries, the conference is discussing how to incorporate resilience into the post-2015 agenda and improve policies, investments, and institutions to strengthen resilience and achieve food and nutrition security. It aims at building resilience as a way to help people "prevent, anticipate, prepare for, cope with, and recover from shocks and not only bounce back to where they were before the shocks occurred, but become even better-off."

The concept of resilience in general is currently the subject of attention in the development community, but resilience in the context of food and nutrition security has been less widely discussed. Equally, building resilience is important in helping individuals, households, communities, and countries anticipate, prepare, cope with, and recover from the shocks and problems of volatile food prices and financial crises, natural disasters such as droughts, floods and earthquakes, food safety, disease, and health as well as the social and political impact of conflicts and violence that can threaten food and nutrition security.

IFPRI Director General Shenggen Fan, in his welcoming speech, singled out Ethiopia and Bangladesh as countries with success stories in building resilience to mitigate and recover from major shocks. He said that in 2011, when the Horn of Africa was hit by the worst drought in 60 years, “Ethiopia mitigated the impact through its productive safety-net program.” Food shortages did occur, he said, but “this system delivered food to Ethiopians in a timely manner and put the country in a better position to meet its citizen’s food needs than several of its neighbors”.

Kanayo Nwanze, president of the International Fund for Agriculture Development, attributed Ethiopia’s success story to the country’s leadership and government policies that effectively addressed macroeconomic issues and ensured investment in drought preparedness and smallholder farmers. He said “Today Ethiopia is the fastest growing non-oil economy in Africa with growth of about 10 per cent, with the second largest floriculture industry in Africa. It is the largest producer of hides and skins as well as honey in Africa, and [has created] an impressive commodity market for large and smallholder farmers.” He emphasized the need to give due focus to agriculture and rural development to build resilience for food and nutrition security. Ertharin Cousin, the Executive Director of the United Nations World Food Programme also praised Ethiopia and said her organization had drawn lessons from Ethiopia in resilience building.

Opening the conference, Prime Minister Hailemariam, told delegates that Ethiopia, a country that has been subject to severe and repeated droughts, strongly recognized the need to build resilience. He said: “For us, anticipating, adapting to, and recovering from shocks are essential to our future,” adding that government policies and strategies embody the country’s key strategy of enhancing resilience to shocks and build a robust and diversified economy. The Prime Minister said “resilient systems are made up of resilient people.” He said “we work to eradicate hunger and under-nutrition; we aim to create healthy and productive individuals, communities and institutions; in all our endeavors we are eager to share our experiences and learn from others.”

The conference, the sixth in the 2020 Vision “family” of conferences that explore emerging food policy issues, is organized by the International Food Policy Research Institute (IFPRI), and it is a centerpiece of the consultative process led by IFPRI and its 2020 Vision Initiative and its partners. The partners include the CGIAR Research Program on Agriculture for Nutrition and Health; the CGIAR Research Program on Policies, Institutions, and Markets; the Technical Centre for Agricultural and Rural Cooperation; Royal DSM; DuPont Pioneer; Farming First; the German Federal Ministry for Economic Cooperation and Development; Deutsche Gesellschaft für Internationale Zusammenarbeit; the International Fund for Agricultural Development; the International Livestock Research Institute; Irish Aid; The Rockefeller Foundation; the Resilience Learning Consortium; UPL Limited; and the United States Agency for International Development.

South Sudan’s conflicting parties sign a new ceasefire agreement

A new ceasefire agreement was signed between the conflicting parties in South Sudan on Friday (May 9) aimed at ending the conflict that broke out early January resulting in the death of thousands and the displacement of millions of civilians. The two sides agreed to cease all hostile activities, and recommitted themselves to implementing the Cessation of Hostilities Agreement, facilitating the full deployment of the IGAD Monitoring and Verification Mechanism and allowing humanitarian access to affected communities.

The agreement was signed by President Salva Kiir Mayardit of the Republic of South Sudan and Dr Riek Machar Teny, Chairman of the Sudan People’s Liberation Movement/Army (SPLM/A)-in-Opposition under the auspices of IGAD, after both principals had face-to-face talks with Ethiopia’s Prime Minister Hailemariam, Chair of the Intergovernmental Authority on Development. The agreement, witnessed by the three IGAD Special Envoys, was also signed by Prime Minister Hailemariam, who hosted the talks, as guarantor. It was the result of weeks of shuttle diplomacy by the IGAD Envoys and mounting international pressure.

The agreement states that the two sides recognized that no military solution to the crisis in South Sudan was possible and that sustainable peace could only be achieved through inclusive political dialogue. According to the deal, both sides should affect a ceasefire within 24 hours and both parties were to issue immediate orders for their troops to end fighting. They agreed to open humanitarian corridors and cooperate, unconditionally, with the UN and humanitarian agencies. The deal calls for the cooperation of the parties with the UN and international humanitarian agencies, without any preconditions, in order to ensure humanitarian aid reaches all affected areas in South Sudan. The two leaders accepted that a transitional government of national unity offered the best way forward and said this should implement reform, oversee a permanent constitutional process, and guide the country to new elections. They said their respective delegations to the IGAD peace process should negotiate the terms of this, and that this should be an inclusive process including all South Sudanese stakeholders in the peace process to "ensure broad ownership of the agreed outcomes." They agreed that other stakeholders should participate in negotiations on transitional governance, the permanent constitution, the political future of the country and reconciliation. Both sides agreed to fully cooperate with the AU Commission of Inquiry and facilitate implementation of its forthcoming recommendations. Furthermore, both sides agreed to engage in substantive discussions on the IGAD-led peace-process. They also accepted to meet again in a month under IGAD auspices to facilitate progress.

Speaking after the signing of the peace deal, South Sudan President Kiir said that dialogue was the only answer to any problems, adding that "we will continue to move in the right direction." He emphasized that he and the party he leads would implement the deal, describing it as ending "this black page of our history." Dr Machar said that "the deal shows our commitment to seeking a political settlement to the problem. I have to tell to our people that we can catch up with the rest of Africa if we are in peace." Ethiopian Prime Minister Hailemariam said that an "all-inclusive political dispensation transcending the prevailing mutual distress will encourage the signatories to take decisions further." The Prime Minister emphasized that no spoilers could be allowed to derail the peace process. He said both parties should "make no mistake: the region and the international community will not sit idle while killings go on."

The signing of the agreement was widely welcomed around the world and the conflicting parties were urged to implement their decisions as a matter of urgency. The Chairperson of the AU Commission, represented at the signing ceremony by the AU Commissioner for Peace and Security, Ambassador Ismail Chergui, welcomed the signing of the Agreement. In a statement on the occasion, Ambassador Chergui expressed the AU's firm belief that full implementation of the Agreement would significantly contribute to the restoration of peace, security and stability in South Sudan. The Chairperson of the Commission stressed the importance of the commitments made by the two leaders, and specifically to end the fighting immediately and facilitate the full deployment of the IGAD-led Monitoring and Verification Mechanism, ensuring humanitarian access, commencing substantive discussions on the agenda of negotiations as proposed by IGAD, promoting an inclusive process and fully cooperating with the AU Commission of Inquiry. She welcomed recognition by the Parties that a transitional Government of National Unity would offer the best chance for the people of South Sudan to move the process forward.

The Chairperson of the Commission commended President Salva Kiir and Dr Machar for having agreed to these critical steps and called on them to demonstrate the same commitment and leadership in implementation of the Agreement, in order to end the untold suffering of their people and put their country on the path to durable peace, reconciliation and recovery. The Chairperson paid tribute to Prime Minister Hailemariam and the IGAD Special Envoys for facilitating the signing of the Agreement and for their tireless efforts and dedication. She also expressed gratitude to the international partners involved in the process and called upon the United Nations to extend all necessary support for the deployment of the planned IGAD Task Force in South Sudan and expedite all possible efforts for this.

US Secretary of State, John Kerry, who visited South Sudan on his recent tour of Africa, welcomed the agreement in a statement on Saturday (May 10) and urged South Sudanese leaders to ensure the Agreement immediately put an end to fighting in the country. He urged the parties to negotiate a transitional government. This, he said, "could mark a breakthrough for the future of South Sudan." He added that "the hard journey on a long road begins now, and the work must continue." US National Security Adviser, Susan Rice, also welcomed the peace agreement, saying that it "holds the promise of bringing the crisis to an end". She said the fighting in South Sudan had "robbed the country of hope and denied its people the peace and prosperity they deserve". Ms Rice urged both parties to follow up on the new peace deal by "ending the violence and negotiating in good faith to reach a political agreement." US Assistant Secretary for African Affairs, Linda Thomas-Greenfield, noted that the signing of the peace agreement was only the first step. She said "We have to work closely with the leaders of the

region to make sure that we get IGAD troops on the ground, who will be put in a position [to] monitor the agreement and ensure that anyone who is involved in breaking that agreement will be held responsible.” She added that Washington was seeking a UN resolution which will provide a UN mandate for an IGAD force to deploy as quickly as possible.

Following claims over the weekend by both sides, accusing each other of violating the ceasefire agreement, Ethiopia’s Foreign Minister, Tedros Adhanom, emphasized the importance of the UN urgently endorsing the deployment of the proposed Deterrence and Protection Force for South Sudan.

A statement by UN Secretary-General, Ban ki-Moon, also welcomed the cease-fire agreement and commended the efforts of IGAD, and particularly those of Ethiopia’s Prime Minister Hailemariam. The UN Secretary-General demanded an immediate end to fighting, calling for immediate implementation of the “30 days of tranquility” agreed earlier last week so that farmers could plant crops in peace before the onset of the rains. This is urgently needed in order to avoid famine in South Sudan. UN Humanitarian Coordinator for South Sudan, Toby Lanzer, said the agreement would allow some “breathing space”, in terms of allowing people to return to their land and plant crops.”

Meanwhile on his return to Juba after the talks in Addis Ababa, President Salva Kiir announced that the general elections scheduled to be held next year would now be delayed until 2017. This, he said, was because of the continued instability and violence in the country. The delay would allow time for national reconciliation and pave the way for peaceful and transparent elections, he said, reaffirming his government’s commitment to implementing a peaceful settlement to the crisis, he emphasized that the proposed formation of a transitional government, to include all political parties and civil society groups, would be carried out after the signing of a final peace agreement. President Salva Kiir said this process would need not less than two years, and “we decided that the next general elections [will] be held in 2017 so that there is time for preparations.”

Ethiopia’s first international sovereign credit rating

Ethiopia’s economy and political stability received another endorsement last week and early this week when the three major international rating firms announced the country’s first ever sovereign credit rating grade. Last Friday (May 9) Standard and Poor’s pronounced the Ethiopian economy was stable and assigned foreign and local Issuer Default Ratings of ‘B’. Moody’s and Fitch quickly followed suit. Fitch and Standard and Poor’s assigned Ethiopia a long-term foreign and local currency Issuer Default Debt Rating of ‘B’; Moody’s gave the country a slightly higher rating of “B1” (B+). All the three rating firms concurred that Ethiopia had an impressive economic growth trajectory, a stable political environment and a less than average current account deficit.

Fitch’s outlook stated that the Ethiopian “economic performance is strong; [and] with an average real GDP growth of 10.9% over the past five years, Ethiopia has outperformed regional peers due to significant public investments in infrastructure as well as growth in the large agricultural and services sector.” The rating firm further noted that inflation had declined significantly, demonstrating the Ethiopian government’s commitment to bringing central bank public financing to a moderate level. Fitch’s outlook also noted that the Ethiopian government’s budget deficit, standing at 1.4% of GDP, was very low when measured against large capital expenditures. Fitch ascribed this to “low levels of current spending, including a limited wage bill and modest interest payments”. According to Fitch, improved efficiency in public finance administration also contributed to this low level of headline general government budget deficit, a level which is still significantly lower than the B median or the level of regional peers.

Fitch’s outlook stated that its rating was based on a set of key assumptions which suggested a positive future for the Ethiopian economy: continuity in the development model of the country; continued support from the international community; increased international demand for Ethiopia’s exports and no major political change in the coming years.

Similarly, Standard and Poor’s acknowledged Ethiopia’s strongly paced economic growth stating that its ratings were “supported by strong government effectiveness, which has halved poverty rates over the past decade or so, moderate fiscal debt... and moderate external deficits”. Endorsing the widely held view regarding the real impact of this growth, Standard and Poor’s stated in its outlook that Ethiopia’s robust economic growth “has translated into significant poverty reduction and fairly homogenous wealth levels”.

The political stability of the country was another element underlined by Standard and Poor's ratings. The outlook stated that the country "has achieved political stability since its new constitution in 1995, under the leadership of the Ethiopian People's Revolutionary Democratic Front (EPRDF) coalition" and predicted there would not be much change in the short term. It further singled out Ethiopia's positive role in maintaining regional stability and stated that the country "has been at the forefront of finding peaceful solutions for its neighbors through the Intergovernmental Authority on Development (IGAD) in member states around the Horn of Africa and East Africa." Considering these and other factors, Standard and Poor's conclusion was that Ethiopia would continue its current course of high growth and that current account deficits would not increase significantly.

The third rating firm, Moody's, reflected similar beliefs about the state of Ethiopia's economy, predicting it would continue to perform with comparable strength over the next few years. Echoing an oft-repeated and now well publicized view of the economy's performance, Moody's outlook was specific about both past performance and future expectations. It noted that the country had "made significant progress ... over the past decade, mainly supported by significant public sector investment, and reached key targets set out in the Millennium Development Goals ... growth prospects remain favorable given the investment in developing the country's power-generating capacity and infrastructure".

Moody's termed Ethiopia's institutional strength as 'weak', but on a par with the B median in the area of government effectiveness, rule of law and control of corruption. Its outlook commended Ethiopia's process of policy implementation and stated that "the government produces five-year plans which support policy continuity and the administration shows a strong track-record of fulfilling or even outperforming the targets". Moody's said its rating was also positively influenced by the fiscal strength of the Ethiopian economy with a low level of budget deficits and the dedication of a large section of public expenditure to pro-poor programs. The firm also believed that the country's economic growth would remain strong for the medium term future and that its trade regime would improve during that period.

The independent assessments of these global industry leaders provided Ethiopia with a sovereign credit rating of a 'B'. This signifies stability, a moderate debt burden and current account imbalances. It is a satisfactory grade and will go a long way to providing an objective reflection of the state of the country's economy and stability. This was the view expressed by Sufian Ahmed, Minister for Finance and Economic Development, who said the government was satisfied with the rating, adding that it reflected the impressive economic developments and improvements the country had achieved over recent years. Minister Sufian said that the government had accepted the ratings without reservations. They would, he said, enable foreign companies to access an objective assessment of Ethiopia's economic standing and stability. The ratings testified to "the tangible transformation of the country," and showed the country's economic model was on the right track for growth and was producing results.

Speaking on the reasons for the rating exercise at a press briefing on Wednesday (May 14), the Minister said the primary reason for looking to obtain the country's sovereign credit rating was to build international investor confidence in regard to investing in Ethiopia. He said the exercise demonstrated that Ethiopia was ready to provide all the necessary information about the economy and about its policies. "The rationale for the government to be open to rating agencies is mainly to help foreign direct investment. The result of the rating will show foreign investors the reality." He said the ratings, which are reviewed annually, painted a positive outlook for potential investors, and they paved the way for the government to issue international bonds if it decided to do so. He said that the reports highlight the importance of continued public investment on infrastructure development such as roads, railways and hydro-power projects, and "provide investors who wish to invest in Ethiopia with factual and accurate information about the country."

Minister Sufian also spoke of the effect that the ratings might have in terms of raising funds from international capital markets. He said Ethiopia would "enter the international capital market if the government decided. It could eventually also help to diversify government finance for some of the major investment of the government." However, he added, that this had yet to be decided and the government was still exploring possibilities.

Kenya signs Standard Gauge Railway Agreement with China

Kenya and China on Sunday (May 11) signed an agreement on the financing of the first phase of the Standard Gauge Railway project. President Uhuru Kenyatta was joined by Chinese Premier Li Keqiang and three Heads of

State to witness the signing ceremony at State House, Nairobi. Presidents Yoweri Museveni of Uganda, Paul Kagame of Rwanda and Salva Kiir of South Sudan participated in the signing ceremony. The ceremony was the climax of the Chinese Premier's three-day State Visit to Kenya, which ended on Sunday. The agreements for the construction and financing of the project were signed by Kenyan Treasury Cabinet Secretary Henry Rotich and the President of China Exim Bank Li Ruogu.

The first phase of the project will cover 609.3 kilometers from the port of Mombasa to Nairobi and will cost \$3.6 billion (Sh314.2 billion at today's exchange rate). 90 per cent of the financing will come from China Exim Bank while the remaining 10 per cent will be from the Government of Kenya. The Standard Gauge Railway is aimed at providing efficient and cost effective rail transport for both freight and passengers. It is intended to reduce the cost of doing business by reducing the cost of transport, a move that will see Kenya become a competitive business hub for the East African region and beyond. Passenger trains will have a speed of 120 kilometers per hour, while those for freight will be designed to move at 80 kilometers an hour. It will take passengers four hours and 30 minutes to travel from Mombasa to Nairobi while freight will take eight hours. The project is slated to kick off on October 1 and take 42 months to complete.

Speaking after the signing ceremony, President Kenyatta said Kenya "has found an honorable partner in China". The President said the new railway will be built by consent and partnership, unlike the old railway line which was built by colonialists by force. He thanked the Chinese government and leaders of the East African region for partnering with Kenya in developing infrastructure. President Kenyatta said Kenya would continue making development strides in partnership with dependable friends. "We have shown our ambition. We have rejected the mediocrity of simply sticking with what we have. We have found partners of equal determination. It now falls to us to complete the project as rapidly as we know we can" he said.

The Chinese Premier emphasized that China's engagement with Kenya and Africa as a whole was based on a concept of mutual benefit. He said closer partnership between Africa and China, with a combined population of more than 2.4 billion people "can change the landscape of global development". Mr Li said China's partnership with Africa was more than cooperation on single projects but was "a communication linking the hearts and minds of people". He called on all Chinese companies involved in the project to ensure they supply the best equipment and adhere to all local laws. The Premier said the Chinese firms will be required to transfer skills to local workers and be meticulous in their roles. Earlier in his African tour, Prime Minister Li, giving his policy speech at the African Union Headquarters, affirmed that China would become more actively involved in road, railway, telecommunication, power and other infrastructure projects in Africa to facilitate regional connections.

President Museveni, who spoke on behalf of the visiting Heads of State, retraced China's friendship with the people of Africa. "China has stood with the people of Africa since 1949 in the anti-colonial struggle. It was only the Soviet and China who supported Africa when it was colonized," he said. The Ugandan leader said "China is concentrating on real issues. They don't give lectures on how to run local governments and other issues I don't want to mention." Museveni praised President Kenyatta, who is the chairman of East African Community, for spearheading the integration process of the region. "Uhuru is a real East African" he said, and paraphrasing the bible, he added, "you will know them by their fruits and not by their words."

Training of administrators in Somalia and a meeting on the Somalia New Deal

The Federal Government of Somalia has launched training of administrators for areas which have been recently freed from Al-Shabaab forces. In the past, the absence of any effective civilian administration has been a crucial factor hampering delivery of public services and in ensuring peace and security. In a bid to alleviate this governance gap in newly liberated areas, the Federal Government of Somalia launched a training program for local administrators on Saturday (May 10). The training is being given to 165 local administrators. It is being organized by the Ministry of Interior and Federalism. Improving public service delivery is the fourth pillar of President Mohamud's Government and its implementation for the proposed local administrations in the cities and recently liberated areas. The training will include intensive sessions for police, intelligence and judicial officers on re-establishing the government's relationship with the people, and improving public service delivery and the rule of the law. The training is taking place at the General Kaahiye Police Academy in Mogadishu.

Somalia's Minister of Interior and Federalism, Abdullahi Godah Barre, described the recent victories over Al-Shabaab forces allowing the liberation of towns in Central and South Somalia and the commencement of the training as a watershed moment for stability in Somalia. He said there had been a lot of training efforts in the country but "this one is different; it is different because after a really long time, we are starting to plan for the

towns and villages in the country. Today, it has become possible for us to train the cadets, police commanders, intelligence chiefs, magistrates and District Commissioners who will be representatives of the entire government in those areas.” The training, which continues over the next two weeks, will focus on areas of governance in terms of service delivery, on ways to bring back the state and re-connect the people to the state. Hamadzripi Munyikwa, one of the trainers from the Electoral Institute for Sustainable Democracy in Africa, said people had been living under very difficult conditions under Al-Shabaab for a long time. Their relationship with the State had been broken over a very long period, and this training, he said, would “begin to build some form of state interaction between local communities and the government again.”

In another development, a meeting was held in Mogadishu with reference to implementation of the New Deal for Somalia, otherwise known as the Somalia Compact. The communiqué issued in Brussels, following the endorsement of the Compact last year, noted that “The best platform to achieve our goal is the New Deal framework developed by the g7+ group and endorsed in Busan in 2011, specifically aimed at supporting fragile countries in transitioning towards stability. It ensures a clear focus on Somalia’s most vital political, social and economic priorities: building inclusive politics, security, justice, the country’s economic foundations, revenue collection and the provision of services.” As such, it noted that the New Deal process was a partnership aimed at helping post-conflict transition to stability in countries like Somalia; and it commits partners to aligning behind its priorities. In this case it also involves establishing and gradually working within the framework of the Somali Development and Reconstruction Facility.

The first High-level Partnership Forum Executive Meeting in Mogadishu was attended by President Sheikh Hassan Mahmud and the UN Special Representative for Somalia, Nicholas Kay, as well as 15 Ambassadors and international agency representatives. The aim of the meeting was to look specifically at the progress of the Federal Government of Somalia and the international community in achieving the activities proposed under the Somalia Compact, Vision 2016 and the Peace and State-building goals. The Forum is tasked with the responsibility of overseeing implementation of the Somali Compact, which is seen as the overarching platform to address Somalia’s peace- and state-building priorities between 2013 and 2016. The UN and international partners have committed themselves to aligning their support in Somalia to the Somali Compact’s priorities in the areas of inclusive political dialogue, security, justice, economic foundations and revenue and services.

President Mohamud outlined the achievements of the Federal Government in implementation of the Somalia Compact and said it had delivered a wide range of the agreed goals. A total of three million people in nearly a dozen towns across six regions have been liberated from Al-Shabaab.

Development assistance support structures, including the Aid Coordination Unit and the Somali Development and Reconstruction Facility, had been established to ensure that the aid promised to Somalia was coordinated, delivered and monitored. To ensure transparency and better fiscal management, the Central Bank had been revitalized through the appointment of a new Governor, a new Deputy Governor and a new Board of Directors. A Financial Governance Committee to deliver financial oversight had been set up. He also noted that there had been considerable infrastructure progress with 35 km of roads rehabilitated in Mogadishu, and a number of flagship projects, the building of District Headquarters, courts, police stations, hospitals and water wells, had been started in Jowhar and Merca.

The President further noted that the United Nations Multi-donor Trust Fund was now operational with money beginning to flow into the Treasury and supporting the functioning of the Central Bank. Working groups for the Government’s five Peace- and State-building goals had been established and the Government was in the process of identifying practical programs that could be delivered on the ground throughout Somalia. The plan to take Vision 2016 to the regions for consultation and discussion would be finished shortly and consultation meetings would begin very soon. The President said that Somalia was meeting the targets for the New Deal. All good things required planning and hard work, he said, to make them a reality. He added: “we have spent many months finalizing plans and strategies that are necessary to ensure that when we begin to deliver programs throughout Somalia they are the right ones and will make the most difference.”

Speaking at the Forum, the Special Representative of the UN Secretary-General, Mr Nicholas Kay, highlighted the slow progress in many areas of implementation of the Somali Compact. He said that the international community and the President had reconfirmed their mutual commitment to moving forward quickly together. He said there were many things to do and it was important not to be distracted. He said “we agreed that we were not satisfied with the progress that had been achieved. We need to go further and faster. We agreed a set

of important actions needed to be done in the coming six weeks by the Federal Government and international partners.”

Concluding the Forum, the President confirmed the Government’s commitment to immediate action. He said “today we took stock of where we are and committed [ourselves] to six areas that require speedy resolution.” He identified these as finalizing the Vision 2016 consultation plan and beginning consultations; establishing the Federalism Commission, the National Election Commission and the Independent Constitutional Review Commission; forming interim district administrations and setting up Peace and Security committees in liberated areas; providing security of supply routes for distributing food and other goods to restored areas; activating adequate humanitarian response in the country; and establishing the Independent Advisory Panel. The President concluded by noting “we have an ambitious agenda ahead of us, and I look forward to working with my colleagues across all Somali institutions and our international friends to deliver results that build a better Somalia.”

Commander Task Force 150 Visits EU Naval Force Air Detachments in Djibouti

The Commander of Combined Maritime Forces (CMF) Task Force 150 (CTF150), Commodore Jeremy Blunden (UK Royal Navy), has been visiting EU Naval Force Maritime Patrol and Reconnaissance Aircraft detachments from both Germany and Spain in Djibouti. He was given an overview on the capabilities and equipment of the detachments commanded respectively by Commander Stefan Becker, German Detachment, and Lieutenant Colonel Jacobo Lecube Porrúa, Spanish Detachment. Commodore Blunden met the Chief of the Djibouti Navy, Colonel Abdourahman Aden Cher and the Commandant of the Djibouti Coast Guard, Lieutenant Colonel Wais Omar Bogoreh. He noted that Djibouti occupied a strategic geographical position bordering the Gulf of Aden and the Bab al-Mandeb Strait, and that maritime security in this region was vitally important for the security of global maritime trade. He said he looked forward to building on his discussions with Djiboutian commanders and working with them in the future.

The Commander of CTF 151, Commodore Ali Abbas, (Pakistan Navy), has also been in Djibouti. He met with head of the Djibouti Navy, Hassan Said Khaireh, Director of the Djibouti National Security Council, and Djibouti Coastguard officers. Discussions focused on how to best achieve regional maritime security and combat piracy, emphasizing the need for close coordination between the CMF and Djiboutian authorities. Commodore Abbas visited Japan’s P3 Deployment Air Force for Counter-Piracy Enforcement and the Japanese Ship Inazuma in Djibouti and discussed maritime security operations. He also visited the Combined Joint Task Force–Horn of Africa US military headquarters at Camp Lemonier and shared perspectives on regional security with Captain Shawn Duane, CJTF-HOA Chief of Staff, emphasizing the need to coordinate security efforts across air, sea and land. Commodore Abbas said: “A key element of CTF-151’s continued success in deterring piracy is partnership with other nations and organizations that share the same goals. All of these visits, where we explore better joint working practices and opportunities to further develop inter-operability in maritime security, are of fundamental importance. The significant reduction in piracy incidents in the region is but one example of what effective collaboration can achieve.”

The Combined Maritime Forces is a multi-national naval partnership, which exists to promote security, stability and prosperity across approximately 2.5 million square miles of international waters, which encompass some of the world’s most important shipping lanes in the Indian Ocean and the Gulf of Aden. Its main focus areas are defeating terrorism, preventing piracy, encouraging regional cooperation, and promoting a safe maritime environment. It is responsible for countering violent extremism and terrorist networks in maritime areas of responsibility; working with regional and other partners to improve overall security and stability; helping strengthen regional nations’ maritime capabilities and, when requested, responding to environmental and humanitarian crises.

The Combined Maritime Forces is made up of three main task forces: CTF-150 (maritime security and counter-terrorism), CTF-151 (counter piracy) and CTF-152 (Arabian Gulf security and cooperation). The Combined Maritime Forces CTF 150 provides the coalition’s regional Maritime Security operation and in addition to promoting maritime security it has the task of countering terrorist acts and related illegal activities. The main task of the CTF 151 Counter-Piracy Operation, which works very closely with EU Naval Force and NATO’s Operation Ocean Shield, is to combat piracy off the Coast of Somalia and in the Indian Ocean and improve relevant capabilities in order to protect global maritime commerce and secure freedom of navigation.

The thirty nations involved are: Australia, Bahrain, Belgium, Canada, Denmark, France, Germany, Greece, Italy, Japan, Jordan, Republic of Korea, Kuwait, Malaysia, the Netherlands, New Zealand, Norway, Pakistan, the Philippines, Portugal, Saudi Arabia, Seychelles, Singapore, Spain, Thailand, Turkey, UAE, United Kingdom, United States and Yemen. The Combined Maritime Force is commanded by a U.S. Navy Vice-Admiral, who also serves as Commander US Navy Central Command and US Navy Fifth Fleet with a deputy commander from the UK Royal Navy. The headquarters of the CMF is in Bahrain and the Task Force commands are also based there.

Somaliland President makes his fourth State of the Nation address

Last week, President Ahmed Mohammed Mohamoud Silanyo gave his fourth State of the Nation address to a joint session of the Somaliland Parliament, the upper House of the Guurti and the lower House of Representatives. It was a comprehensive speech touching on security, foreign affairs and recognition, health and education, the environment, roads, infrastructure, the ports, administration, national registration of persons, the judiciary and coastal development.

The President said Somaliland had now matured with the people and the government focused on establishing its national institutions, fortifying security, developing infrastructure and socio-economical aspects. He said certainly no one could doubt that the country had all the requirements of a *de jure* status. He noted that his administration had stepped up efforts for getting Somaliland recognized and stressed that its foreign policy was self-explicit. He reminded the members of parliament that they were part of the process when they gave a green light to the commencement of the Somaliland-Somalia talks, noting that reports on the talks were constantly made available to them. The president said “We have internationally facilitated talks going on (with Somalia) which should be adhered to”, but added “we will defend, fight for and die for Somaliland’s nationhood since it is [based on] the self-determination and aspirations of the people”.

Referring to other matters, the President underscored the importance of security emphasizing that without peace and stability life was impossible. He pointed out that Somaliland was one of the most peaceful countries in Africa, adding that peaceful stability depended on the competence of the security apparatus. In order to deal with the country’s enemies, he said, servicemen were now better equipped, better paid, with institutional academies upgraded and subject to laws to control the activities of the intelligence, police and anti-terrorist forces. He noted that the security services had substantial increases in salary as had civil servants, ministers, judges and MPs.

The president said great efforts had been made to provide development of fledging quality services in health and education sectors nationwide. Major efforts to improve roads were underway: the Borama road was completed; he had just inaugurated the Wajaale road; and work had started on the major Erigavo road project, and funds had been promised for the Berbera-Hamas-Sheikh and Kalabayd-Dila roads. Airports had been successfully upgraded at Hargeisa and at Berbera with Burao and Borama next on the list. The president confirmed that the government was in talks with Bolores to make Berbera harbor world class. Other developments included the vaccination and immunization of around 12 million sheep and goats (shoats), 1.5 million camels and 1.5 million cattle.

Next year, President Silanyo said, the government planned to increase its focus on security, decentralize administration further and develop harbors. He announced plans to establish a national council for the clergy as laid down in the constitution, and he again appealed to MPs to pass a bill they have twice rejected providing quotas for women. He underlined that the government would work to enhance bilateral relations and cooperation with the international community on security, piracy, anti-terrorism and environment, and called for it to be bold enough to know and acknowledge that Somaliland “is an entity which exists” and must therefore be recognized. In conclusion, the President lastly called upon all the assemblies, councils and other bodies in the country, as well as all in the Diaspora, to organize and participate fully in this year's May 18 independence celebrations to be held nationally and worldwide.