

A Week in the Horn

20.9.2013

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News in Brief:

African Union

The African Union Commission has invited members of African civil society and the Diaspora to participate as observers at the next AU Summit. The 22nd ordinary Session of the AU Assembly of Heads of State and Government will be held in Addis Ababa, January 24-31, 2014. The central theme will be on Agriculture and Food Security in Africa. The 23rd Ordinary Session will be held in Libreville, Gabon.

AU officials announced this week that an African Union Extraordinary Summit, preceded by a meeting of Foreign Ministers, would be held on October 13 to discuss the International Criminal Court.

Ethiopia

The National Committee for the annual celebrations of the National Flag Day, headed by the Speaker of the House of Peoples' Representatives, Abadula Gameda, has announced details of the celebrations to be held on September 23 under the overall theme “Our Flag is a Symbol of Our Diversity, Unity and Renaissance.” (**See article**)

A two day COMESA (Common Market for Eastern and Southern Africa) conference opened on Monday in Addis Ababa on agricultural development, with the theme of “Improving Trade Integration through Small and Middle Enterprises”. (**See article**)

The Ministry of Culture and Tourism has secured US\$200,000 from the European Union (EU) for a Tourism Transformation Council and an Ethiopian Tourism Enterprise. The Council will be chaired by the Prime Minister and the Enterprise will be set up as an independent federal office responsible for tourism marketing and the promotion of tourist destinations..

The Spokesperson of Ethiopia's Ministry, Ambassador Dina Mufti, told journalists on Tuesday (September 17) that Ethiopia was ready to implement fully the recommendations of the International Panel of Experts which assessed the impact of the Grand Ethiopian Renaissance Dam (GERD) on lower riparian countries. He underlined the need for Egypt and Sudan to do the same.

Ethiopia's Foreign Minister Dr. Tedros met a Somaliland delegation led by Foreign Minister Mohamed Bihi Younis on Friday (September 20). The Somaliland Foreign Minister said Somaliland valued its relationship with Ethiopia and the support it got Ethiopia and wished to enhance this relationship. He called on Ethiopia to increase its use of the facilities of Somaliland, especially the port of Berbera.

Zhao Hongzu, leading the Communist Party of China delegation visiting Ethiopia held discussions on fighting corruption on Monday (September 16) with Deputy Prime Minister, Muktar Kedir, the Civil Service Minister and Good Governance Cluster Coordinator, and officials of the Federal Ethics and Anticorruption Commission.

The Icelandic International Development Agency (ICEIDA) has signed a Partnership Agreement with the Government of Ethiopia to work together in geothermal development and capacity building .The implementing agencies in Ethiopia are the Geological Survey of Ethiopia and the Ethiopian Electric Power Corporation.

Two school development projects, funded by the Japanese Grant-in-aid Scheme for Grassroots Human Security Projects, were inaugurated at the weekend in the Southern Nations, Nationalities and People's Regional State. The Grassroots Human Security Projects scheme has implemented 330 projects in Ethiopia covering education, water supply, health services, and other basic human needs.

Djibouti

The Secretary General of the North Atlantic Treaty Organization (NATO), Mr. Anders Fogh Rasmussen, thanked President Ismail Omar Guelleh for Djibouti's leadership role in fighting piracy in the Red Sea and the Gulf of Aden when the President visited NATO headquarters on Monday (September 16).

Djibouti launched the construction of its section of the new railway which will run from Djibouti to Dire Dawa to Addis Ababa on Monday (September 16). The launch came during the third meeting of the Joint Djibouti-Ethiopia Coordination Commission for the railway.

The opposition Union for National Salvation (UNS) on Sunday (September 15) said its discussions with the ruling Union for a Presidential Majority (UMP), going on since August 19, have stalled. The ruling coalition and the opposition have each accused the other of sabotaging the reconciliation process.

Eritrea

President Isaias told a meeting of 150 regional administrators and leaders in the People's Front for Democracy and Justice, Eritrea's ruling and only ruling party, that reorganization and assignment in Government and PFDJ bodies would continue at all levels. The PFDJ Secretary, Al-Amin Mohammed Seid, said the restructuring process would involve all public institutions inside the country and abroad.

The Eritrean Ambassador to Egypt, Osman Mohammed Omar, delivered a message from President Isaias to the Acting President of Egypt, Mr. Adli Mansour, over the weekend, on relations between Eritrea and Egypt, as well as regional and international issues.

The Eritrean Foreign Minister, Mr. Osman Saleh, delivered a message from President Isaias to President Abd Rabbuh Mansur Hadi of Yemen this week. President Isaias has also sent messages recently to President Omar Al-Bashir of Sudan and King Abdalla Bin Abdul-Azif of Saudi Arabia.

An earthquake of magnitude 5.0 occurred on Wednesday (September 18) about 70 km north-east of the capital Asmara and 18 km from Massawa, just off the coast. It did not apparently result in any damage to persons or property

Kenya

Proceedings in the trial of Kenya's Deputy President, William Ruto, at the International Criminal Court (ICC) went in to closed session after photos and claims about the identity of a protected witness were circulated online. The presiding judge said journalists, bloggers and social media users could be held criminally responsible if they were found to have spread information that might be used to identify protected witnesses.

China has called on the International Criminal Court to heed the pleas of African nations and the African Union with respect to the trials of Kenyan leaders. A Government Spokesperson said China had noticed that quite a few African nations had raised serious questions about the trials and it hoped the international community will respect the Kenyan people's choice, and the ICC would listen to the advice of African nations and the African Union.

Somalia

On Monday (September 16) at the one-day "New Deal Compact" Conference on Somalia, international donors pledged US\$2.4 billion (1.8 billion Euros) to help Somalia recover from more than 20 years of civil war and destruction and fund state building and peace building over the next three years, with the focus on Somali political processes, security, legal system and economic foundation. Somalia has set up a financial board to include Somalia officials and representatives from the donor community to manage the funds pledged and the economy "in the most transparent manner." **(See article)**

IGAD's 49th Extraordinary Meeting of the Council of Ministers was held in Brussels on the sidelines of the Somalia Conference, to discuss ways to implement the New Deal for Somalia and the threatened cutting off of remittances announced by Barclays Bank. The Ministers called for Barclays to give Somali Money Service Businesses 12 months to find alternative solutions. **(See article)**

Somali President Hassan Sheikh Mohamed arrived in Rome on Tuesday (September 17) for a two day official visit during which he met Italian Prime Minister Enrico Letta on Wednesday.

The Interior Minister of Somalia, Abdikarim Hussein Guled, arrived in Yemen on Tuesday (September 17) for talks with Yemen's Minister of the Interior, Abdul-Qader Qahtan, on cooperation in security matters. The talks covered refugee issues, training the Somali police, the fight against organized crime, terrorism, sea piracy and smuggling as well as regional security and stability.

Abdikarim Hussein Guled, Somalia's Minister of Interior and National Security announced at the weekend that Somali Security Forces had foiled more than 200 Al-Shabaab attacks during the month of August.

Uganda has recalled and suspended a number of army officers serving in AMISOM in Somalia of selling food and fuel, meant for troops, on the black market. The commander of the Ugandan contingent is among those being investigated.

South Sudan

The Vice President of the European Commission and High Representative of the European Union for Foreign Affairs and Security Policy, Catherine Ashton held talks with the Foreign Minister of Sudan, Ali Karti and the Foreign Minister of South Sudan, Barnaba Benjamin in Brussels on Monday (September 16). Lady Ashton said the EU looked forward to the implementation of all the agreements signed between the two countries.

The African Union High Level Implementation Panel has handed a proposal to South Sudan concerning joint engagement on debt relief for the Republic of Sudan. This was part of the cooperation agreement signed in Addis Ababa a year ago which suggested both sides should advocate for Sudan's debt cancellation.

South Sudan President Salva Kiir on Tuesday (September 17) reinstated Telar Riing Deng to an advisory post on legal affairs, reversing his previous appointment as Minister of Justice designate. Mr. Deng was among the new cabinet members appointed in August but he did not pass the vetting process of the parliament.

South Sudan's Finance Minister, Agrey Tisa Sabuni, presented a revised draft budget to parliament on Wednesday (September 18). 2013/14 expenditure of SSP 17.3 billion would be financed through a combination of oil and non-oil revenue, loans and budget support from donors. Spending on security and law enforcement is down 8%, capital investment increased by 9% and transfers to the states is increased by 24%. National monthly spending limits however are kept at the current austerity level for the first 6 months of the fiscal year.

The United Nations Humanitarian Coordinator for South Sudan has embarked on a tour to draw world attention to the humanitarian challenges facing South Sudan. Toby Lanzer is visiting Sweden, Norway, The Netherlands, Belgium and United Kingdom.

Sudan

The Sudanese president, Omer Hassan Al-Bashir, has said armed rebellion and tribal clashes will be brought to an end by December next year, to allow general elections, due in 2015, to be held in a Sudan that is free of wars.

A regional Workshop on Combating Terrorism was organized by IGAD's Security Sector in Khartoum (September 17-19) with the aim of bolstering coordination between member states.

Sudan, together with Chad, Egypt and Libya, has agreed to a UN-backed Strategic Action Program to ensure equitable use of the Nubian Sandstone Aquifer System, a huge water resource that lies beneath the territory of all four states, and to improve management of their water resources.

The “New Deal” Conference for Somalia pledges US\$2.4 billion

The “New Deal Compact” Conference for Somalia, co-hosted and organized by the Somalia Federal Government and the European Union was held in Brussels, Belgium on September 16. The one-day conference gathered Somali leaders, and representatives of governments, financial institutions, aid donors and international organizations to help Somalia on the path to recovery. Among the fifty delegations were ministers from Africa, Europe and the Arab Gulf. The result of the Conference was that the international community, led by the European Union, endorsed a three-year plan to establish Somalia as a functioning state, providing a roadmap for promoting state building and peace building and focusing on Somalia’s political processes, its security, its legal system and the country’s economic foundations.

The conference pledged to invest 1.8 billion Euros (US\$2.4 billion) to help the Somali Government's efforts to establish order in the country after more than two decades of instability. The European Union, the largest single donor to Somalia, pledged 650 million Euros (US\$870) in addition to the 1.2 billion Euros it had already provided to pay for security and development; the UK promised 60 million Euros, for health and economic development; Germany offered 90 million Euros; Sweden 170 million Euros and Denmark said it would provide \$124 million, including a previously announced \$71 million. EU Commission President Jose Manuel Barroso said “Through the Compact we now have a clear and agreed roadmap of how Somalia can address its most urgent priorities while moving towards a full constitution and elections in 2016.” Somali President Hassan Sheikh Mohamud who called it “a historic day for Somalia,” described the 1.8 billion Euros as a huge amount which was a “very clear indication that our international partners are serious in sustaining the current progress and development in Somalia.”

The New Deal Compact plans to strengthen the economy, improve security and promote political dialogue and sets out government spending priorities and future international support. The New Deal framework was first developed by the G7+ group and endorsed at the high-level Forum for Aid Effectiveness in Busan in 2011. It is specifically aimed at supporting fragile countries in their transition to stability. Somalia embarked on the New Deal process on May 14 this year at an event attended by representatives of the European Union, the African Union, the United Nations and the United Nations Development Program as well as representatives of partners and donors. The Compact for Somalia, endorsed on September 16, is a powerful example of what a strong partnership between national and international actors can offer.

At the conference, Somalia’s President Mohamud said that he was "very grateful" for all the efforts made on behalf of his country by the regional and international partners, and for their continued support in helping Somalia to rejoin the community of nations. He emphasized the Government’s four key priorities: security, legal reform, public finances and economic recovery.

In this regard, the President remarked that finding a political solution for Somalia will be the "first step that hold everything else together" as Somalia moves forward. "Good governance is essential in all Somali institutions," he said. Parts of the new deal for Somalia involve an overhaul of the existing state institutions, including the judiciary, and reform of the public finance sector as part the campaign for what the President called "zero tolerance for corruption."

Emphasizing that the Compact "must not be a distant and bureaucratic document removed from the people," President Mohamud said it must provide a "new model" of Somali democracy. He said the government hopes to formulate a "fully-fledged" constitution soon, as well as complete the country’s federal system and develop a workable multi-party electoral system. However, even ahead of state-building, the top priority for the Somali government right now must be security, said the President, and this he said was "progressing very well." He summarized the

New Deal as a Compact that would take Somalia from an "emergency to recovery"; adding that "the best possible outcome of a New Deal for Somalia is a new Somalia."

Also present at the Conference was the President of the Puntland State of Somalia, Abdirahman Mohamed Mohamud 'Farole' who welcomed the New Deal framework and reminded the conference that Puntland had submitted its development priorities to be incorporated as a component into the New Deal Compact for Somalia. President Farole pointed out that the Somali people and the international partners who supported them in 2011-2012 had worked together diligently to end the transitional process in Somalia, producing a Provisional Federal Constitution, a Lower House of the Federal Parliament, and the Federal Government. He said this had marked "an historic moment as the Federal Government became the first permanent government in Somalia since the state collapse of 1991".

This Provisional Federal Constitution, he said, was the first constitution produced by a consultative process among the Somali people since the original Somali Constitution had been abolished by the military regime 44 years earlier. It marked, he said, a moment of hope and optimism that Somalia would begin to re-emerge from the path of self-destruction and national agony. President Farole pointed out that Somalia now opted for federalism "as it offers the only viable option to reunite the fragmented regions and territories of Somalia." Federalism, indeed, was a model for reconciliation and prevented abuse of power at the center by a military dictatorship or any small extremist cult, he said. Federalism "also allowed inclusivity and permitted power to be exercised close to the people." President Farole emphasized that the Constitution must be adhered to. It could be reviewed but the legal processes, laid out in the constitutional provisions, must be followed. He urged the establishment of the Upper House of the Federal Parliament as soon as possible. This will be an institution to represent the Federated States of Somalia. Its creation would allow the constitutional review process to commence.

In the same spirit, Ethiopia's Foreign Minister, Dr Tedros Adhanom, in his capacity as Chair of IGAD's Council of Ministers, welcomed the political and security progress that has already been made in Somalia and extended his gratitude to all partners for their emerging consensus on Somalia as previously demonstrated in the London, Istanbul and Yokohama conferences. He noted that the Brussels Conference was a culmination of these conferences and a landmark event for the "New Deal for Somalia." He expressed IGAD's full support to the Compact and underlined its commitment to play its part in the implementation process.

Dr. Tedros recalled the recent positive political and security developments following these earlier conferences including the historic talks in Addis Ababa under the auspices of IGAD between the Federal Government and the Juba delegation which had produced the agreement over the Interim Jubba Administration within the framework of the Federal Provisional Constitution. He said the recent developments had created an unprecedented opportunity for stabilizing Somalia. They demonstrated that focus and coordination of national, sub-regional, continental and global efforts can bring about promising results. The multi-pronged military operations by AMISOM, the Somalia national Army and Ethiopian defense forces had decisively weakened Al-Shabaab, resulting in the liberation of a number of areas in central and southern Somalia. At the same time, he highlighted the need to significantly increase collective efforts in order to safeguard these hard won political and security gains. "The continued commitment by the International Community to support the people and Government of Somalia is essential", he stressed; and equally important "is ownership of the peace building process by the Federal Government of Somalia."

Dr Tedros also underlined the primary responsibility of the people and the leaders of Somalia in achieving lasting peace and reconciliation in their country. "The Somali Government must continue to deepen national reconciliation and focus on building and strengthening the necessary government

institutions to ensure the provision of basic services and promote economic recovery," he said. He also warned that despite the real momentum towards a durable peace in Somalia the political, security and development gains made so far were still not irreversible. "Allowing Al-Shabaab to continue its training and conduct terrorist activities", he said, "will give the group a chance to reorganize itself and undermine the peace and security of the country and the region as a whole." In conclusion, Dr. Tedros reiterated Ethiopia's strong commitment, as a neighbor and as the current chair of IGAD, to support an inclusive process in Somalia in collaboration with all IGAD partners. He commended the African Union's support of Somalia, and paid tribute to AMISOM.

The communiqué issued at the end of the Conference stated that the Somali people had embarked on a new path of reconciliation and reconstruction. It welcomed the political and security progress that had been made, commended the leadership demonstrated by the Somalia Federal Government working with other stakeholders to consolidate this, emphasized the importance of maintaining the momentum towards positive change and reconciliation and reaffirmed support for Somalia's sovereignty and territorial integrity.

The communiqué welcomed the recent agreement to establish the Interim Jubba Administration, facilitated and guaranteed by Ethiopia as Chair of the African Union and IGAD. It recognized the impetus this gave to the inclusive political processes that will enable the finalization and adoption of the Federal Constitution by the end of 2015 and the holding of elections by 2016. It commended the role of the Federal Parliament in setting out a roadmap and timeline, with benchmarks, to achieve this. It welcomed the recent Vision 2016 conference and encouraged an inclusive national dialogue between the Federal Government of Somalia and existing and emerging administrations. This, it said, "would lead to the establishment of local and regional authorities and federal units, anchored in the Provisional Constitution, as building blocks for a viable, united, sovereign and stable Somali state." The Communiqué welcomed President Hassan Sheikh Mohamud's political outreach across the country, and said it looked forward to the IGAD Partners' Forum Ministerial meeting on September 26 in New York as part of efforts to provide further impetus to the process.

Emphasizing that security remained critical for progress, the communiqué noted the importance of establishing capable, accountable and inclusive Somali security institutions. It said "the integration of existing security forces into one cohesive structure is a priority that goes hand in hand with progress with political inclusiveness." This had to be a joint effort and it needed direct support from the international community. The work of AMISOM and of Ethiopian forces was commended, and the Conference encouraged further coordination between the AU Mission and the Government. It also called on all partners to contribute to strengthening AMISOM and the Somali security forces and to provide predictable and sustainable funding. It condemned all acts of terrorism and violent extremism by Al-Shabaab and others, and welcomed the Federal Government's conference to address religious extremism, the moves to establish a Somali capacity in maritime security and the support that the international community is providing. It called for transparent and sustainable use of those resources.

The Conference expressed its concern over the continuing humanitarian crisis in Somalia and encouraged humanitarian agencies to remain engaged. It condemned any misuse or obstruction of such assistance. It emphasized that the issue of refugees must be addressed by a comprehensive solution based on the principle of voluntary return. This "would help millions of displaced people and refugees return home to a secure environment with adequate livelihood opportunities." It therefore welcomed the Government's new strategy on stabilization in newly-accessible areas, linking relief to recovery and development. It also noted that strengthening mutual accountability between the international community and Somalia, and between the Federal Government and the Somali people was important. It

noted the position of IGAD over the establishment of a special support facility for the Somali remittance industry.

The communiqué stressed that the Compact would continue to be “a living document”. It would require “effective international and domestic coordination to ensure it was monitored, remained relevant and was effectively implemented.” It welcomed the commitment to establish the High Level Partnership Forum as the main platform for dialogue to oversee implementation of mutual commitments in the Compact. It welcomed the wide-ranging support of the United Nations to Somalia and the commitment of international partners to provide political and financial support for the implementation of the priorities set out in the Compact, and the pledges made. It also called upon donors to increase efforts to coordinate their support to ensure transparency and complementarity and avoid duplication, in line with the new financial architecture proposed by the Compact.

IGAD's Council of Ministers calls for solutions to Somalia's remittance problems

The 49th Extraordinary Meeting of the IGAD Council of Ministers was held in Brussels on the sidelines of the Somalia Conference. It was attended by Ethiopian Foreign Minister, Dr. Tedros Adhanom in the chair; and Foreign Ministers Mohamoud Ali Youssof of Djibouti, Fowzia Yusuf Haji Adan of Somalia, Ahmed Kharti Mohamed of the Republic of the Sudan, and Benjamin Barnaba Marial of the Republic of South Sudan.

The main items on the agenda were ways to implement the New Deal Compact for Somalia and the threatened cutting off of remittances announced by the UK's Barclays Bank. The Council of Ministers noted the enormous sacrifices paid by AMISOM forces and Ethiopian Defense forces in Somalia. With reference to the security and political situation in Somalia, the Council recognized the urgency of forming local government and security structures in areas freed from Al-Shabaab and noted the substantial progress the Somali government and its regional partner's allies had made to reduce the threat and influence of terrorist groups in the country. It also expressed its concern over the decision by Barclays' Bank in the UK to close the accounts of regulated and legitimate Somali Money Service Businesses by September 30.

This decision has been widely criticized for not allowing nearly enough time for the companies, most of which are fully in compliance with the requisite regulations, to make alternative arrangements. There are very real fears that this decision could be a “recipe for disaster” particularly in countries that are highly dependent upon remittances. It is not just Somalia. Barclays' Bank decided to close the accounts of some 250 UK money-transfer companies which allow people to send remittances to support their families around the world, including Bangladesh, Djibouti, Ethiopia, Ghana, Kenya, Pakistan, Poland, Somalia, Sri Lanka and Yemen. The Money Service Businesses are also widely used by Oxfam, Care and many other aid and humanitarian organizations, all of which will be adversely affected.

The IGAD Council of Ministers stressed the flow of remittances was indispensable to the region as a whole and especially to the security and economy of Somalia where more than 40% of the population of Somalia would lose an estimated US\$1.2 billion a year in remittance income, nearly US\$500 million from the UK alone, if this lifeline was cut. The Ministers noted that the decision of Barclays Bank posed serious humanitarian and security risks since Somalia lacked any formal banking system and was dependent on remittances. They pointed out that the Government of the UK and the international community recognized the importance of the role of the Diaspora in the reconstruction of Somalia. They noted that Barclays' decision was against the spirit of the New Deal Compact and Conference and would

have (presumably) unintended consequences for the fragile economic and humanitarian situation in Somalia. The IGAD Ministers said the decision would “strangulate at birth” the objectives of the New Deal for Somalia, and block the inflow of Diaspora finance which is channeled through Somali Money Service Businesses. This is vital to Somalia’s reconstruction and development and it is recognized that these channels must remain open to promote growth.

The Ministers therefore endorsed the recommendations put forward by the Somali Money Services Association which include the establishment of a special support facility for the Somali remittance industry. They called upon all parties to look urgently into the need for a comprehensive solution to the problem facing the Somali remittance industry, to provide for the introduction of practical measures to address the concerns of banks and regulators while ensuring that Somali Money Service Businesses continue serving the region without interruption. The Council of Ministers urged the UK Government, Barclays Bank and regulators to work together with the Somali remittance industry to find both short and long-term solutions. It further urged the international development community, especially the African Development Bank and the World Bank, to lead the search for solutions. The Council recognized the difficult situation that western banks find themselves in because of the uncertain regulatory environment but it urged Barclays to give the Somali Money Service Businesses 12 months to find alternative solutions.

COMESA conferences and the PTA’s annual meeting

The 5th COMESA meeting on agriculture, natural resources and environmental change opened in Addis Ababa on Tuesday (September 17). The two day meeting had the theme: “Enhancing Intra-COMESA Market through Small, Micro and Medium-Scale Enterprises Development”, designed to stress the need to develop these enterprises (SMMEs) to strengthen regional economic integration. COMESA, the Common Market for Eastern and Southern Africa is made up of Burundi, Comoros, Djibouti, DR Congo, Egypt, Eritrea, Ethiopia, Kenya, Libya, Sudan, Rwanda, Madagascar, Malawi, Mauritius, Seychelles, Swaziland, Uganda, Zambia and Zimbabwe.

Opening the meeting, Zena Habte-Wold, the Director of Ethiopia’s Planning and Program in the Ministry of Agriculture noted that as one of the largest regional economic communities in the continent, COMESA was playing a crucial role in the development of intra-trade and micro, small and medium enterprises. In Ethiopia, he noted, since agriculture was still the major economic sector, the government had put in workable policy frameworks and strategies to transform the sector through boosting productivity. The country had developed strategies to build a climate resilient green economy with special focus on conservation and efficient utilization of natural resources, he added. Ato Zena said enhancing Intra-COMESA trade through the development of micro, small and medium enterprises would add value to the country’s development efforts and promote regional integration. It would also contribute to knowledge and capital movement that could create a synergy to realize sustainable development in the region.

COMESA Programs Assistance Secretary General, Ambassador Dr. Kipyego Cheluget, told the meeting that the programs which brought 19 countries together have been implemented in the member countries to help them enhance food security focusing on boosting agricultural productivity. COMESA, he said, has given due attention to infrastructural development since it is the major requirement for strengthening regional integration and creating market linkages among member countries. He said small, micro and medium- scale enterprises were the simplest ways to reach smallholder farmers, and thus sustain economic growth of the regional countries. There was also a need to design sound policies

and programs to build up the capacity of the enterprises so that they will contribute to sustaining economic development. Ambassador Cheluget added that agriculture was growing in the region but it faced major challenges from the lack of mechanized production systems and from climate change which caused low productivity and food insecurity. COMESA countries therefore needed to work closely on common infrastructural and agricultural policy implementation. He hoped the technical meeting would come up with better understanding of ways to boost agricultural production and conservation of natural resources. Certainly it would encourage member states to work closely to initiate mutual infrastructural development and thus strengthening regional integration.

COMESA also held a high level COMESA Infrastructure Conference in Kampala at the weekend (September 15-16), under the theme: "Innovative means of Infrastructure Financing". Opening the meeting, Ugandan President Yoweri Museveni urged member states to prioritize investment in infrastructure to spur economic growth, and advised states to adopt innovative ways of financing infrastructure projects, including the use of infrastructure bonds, public-private partnerships or savings. "Improved infrastructure lowers the cost of doing business, attracts investors and creates employment," he said. President Museveni, who is the current COMESA chair, urged states to focus investment on infrastructure, which he described as the "cornerstone and bedrock of any society," reminding his listeners that they could learn from the ancient Roman Empire, whose network of paved roads were still to be seen today. He said inadequate infrastructure in form of transport, energy and information technology was behind region's underdevelopment. He identified the challenges to infrastructural growth as inadequate planning capacity, funding, procuring contractors and supervision. He appealed to development partners to channel funding to infrastructure projects.

COMESA Secretary General, Sindiso Ngwenya, said Africa requires \$90 billion annually over the next decade to upgrade the infrastructure, of which only \$40 billion was available. He encouraged the development of public-private partnerships to help finance infrastructure projects in the region. Uganda's Minister of Trade, Industry and Cooperatives, Amelia Kyambadde, the current chair of COMESA's Council of Ministers, stressed the need for COMESA member countries to adopt a joint effort to raise funds for financing the region's infrastructure projects.

There are a number of major infrastructure projects either ready for implementation or in the pipeline in COMESA countries. Within the region, US\$22.8 billion has been earmarked for the rehabilitation and upgrades of railway lines including Djibouti-Addis Ababa, Lamu-Nacala and Mombasa-Kampala-Kigali railways; and another US\$37 billion is being estimated for pipeline and power generation projects. There are plans to fast-track Zambia-Tanzania-Kenya, Ethiopia-Kenya, Zimbabwe-Zambia-Botswana-Namibia, South Sudan-Uganda and Eritrea-Sudan power interconnection projects. Major Dam developments include the 1,870Mw Gilgel Gibe III dam and the 6,000Mw Renaissance dam in Ethiopia, the 3,500 to 4,000Mw Inga dam in DRC and 700Mw Karuma dam in Uganda. Power interconnections will unlock the energy markets, promote private sector investment and remove electricity production gaps within the region. Another \$635m will be going to improving access to ICT and related developments. The COMESA region has a population of over 400 million people and intra-COMESA trade reached \$18.4 billion in 2011.

COMESA is currently working on a monetary policy framework and an exchange rate mechanism for Monetary Union of COMESA, aimed to start in 2018. It is also considering forming a Tripartite Free Trade Area and eventual Monetary Union with the Southern African Development Community (SADC) and the East African Community (EAC). COMESA, SADC and EAC together have a population of over 525 million and a GDP of US\$624 billion and the three Regional Economic Communities have committed themselves to establishing a Tripartite Free Trade Area by 2014. This commitment has been bolstered by the African Union Action Plan to boost intra-African trade and establish a Continental Free Trade

Area (CFTA) by 2017. An integral part of the Tripartite Free Trade Area will be the design and implementation of a trade facilitation programme aimed at improving trade and transport measures and reducing non-tariff barriers to trade. The Tripartite negotiation process is based on three elements: market integration (through trade facilitation to improve the flow of goods along transport corridors; infrastructural development of surface (road, rail, border posts, seaports) and air transport, ICT and energy; and industrial development. Policy measures to accelerate infrastructure development in the Tripartite Region could include mobilization of resources, especially domestic resources; encouragement of Foreign Direct Investment from emerging economies; acceleration of institutional and governance reform; and promotion of a regional approach to infrastructure development.

Meanwhile the 29th annual meeting of the Eastern and Southern African Trade and Development Bank (PTA Bank), the financial arm of COMESA, opened in Addis Ababa on Monday (September 9). The meeting was organized by Ethiopia's Ministry of Finance and Economic Development and the Minister, Sufian Ahmed, is taking over the chairmanship of the Board of Governors for the coming year. Accepting the position, Ato Sufian said "as founders and shareholders of the Bank we need to continue to support and develop our institution to become the world-class African financial institution we would like to see."

Deputy Prime Minister Debretsion Gebremichael, Minister of Communications and Information Technology and Head of the Economic and Finance Cluster, gave an opening address, noting that a number of enterprises in Ethiopia have benefitted from the Bank's services. He said that as a PTA Bank shareholder and COMESA member, Ethiopia was pleased to see an increase in net profit of 50%, together with diversification of products and services. According to the Bank's CEO, the PTA is looking to increase its level of investment in Ethiopia. Its two most recent loans have been to Ethiopian Airlines (US\$40 million) and Habesha Cement (US\$50 million), but it is currently in discussions with three other companies. It has previously made loans to Ethiopian Airlines for the purchase of aircraft as well as for coffee and leather development.

The 6th National Flag Day celebrations to be held on Monday

The 6th National Flag Day is due to be celebrated on September 23 with a range of activities across the country. The National Committee, headed by the Speaker of the House of Representatives, Abadula Gameda, has announced that it is nearing finalization of the preparations for the celebrations which will be held at the National Stadium in Addis Ababa and in other venues in the Regional States. This year's National Flag Day will be celebrated under various themes including: "The National Flag is our emblem in our struggle against poverty"; "The Renaissance Dam graces our Flag"; "Our National Flag shall never be abused by fundamentalists"; "We will strive to keep our Flag flying high by speeding up our renaissance journey"; "Our Flag is a symbol of our equality and unity"; "Rallying behind the National Flag we shall stand victorious."

The National Committee has emphasized that Ethiopia is noted for having had its own distinct flag since the 1890's Ethiopian Calendar (EC). The arrangement of the red, yellow and green colors have been in consistent use at least since 1915 E.C. In earlier times the colors of red, yellow and green were generally identified as representing valor and patriotism and hope. According to a document issued by the National Committee during the long history of Ethiopia the National Flag has remained a symbol of freedom held in high esteem. Ethiopians have invariably emerged victorious over successive foreign attempts at aggression and colonization. Nevertheless, it argues that despite the fact that Ethiopians maintained their country as a free nation, never colonized by any foreign force, the monarchy and the

past military regime used the flag as an instrument to extend their stay in power rather than as a symbol of nation building.

This changed with the fall of the Derg in 1991 and the subsequent enactment of the Constitution which laid the foundations for the new era in which the country's religious and ethnic diversity is recognized. The Flag, unlike the old days, is now a source of pride to all Ethiopians. It is a symbol of the vision of our peace and development and the birth of the new Ethiopia whose peoples are united in their free consent to live together as Ethiopians. The National Committee further details the Flag's prime role in rallying the public in the focus on the fight against poverty which has tarnished the country's image and lessened the respect the Flag enjoyed among the countries of the world when earlier generations crushed colonial aggressors. Despite all the ordeals the country faced, however, as the National Committee underlined, Ethiopians managed to develop a culture of living in harmony and with deep passion and respect for their National Flag.

The National Committee points out that the main purpose of the celebration of National Flag Day is tied to deepening the values and principles enshrined in the Constitution. The celebration of the National Flag Day is intended to serve as a showcase to the world how Ethiopia has proved that recognition of diversity is a source of strength rather than division. The Committee outlines the way commitment to public service, the unrelenting fight against poverty and upholding the rule of law and democracy to produce democratic unity through diversity.

The main focus of this year's celebration is on the danger posed by extremism and fundamentalism to the country. Within the rubric of managing diversity, the Ethiopian Constitution has incorporated provisions that guarantee freedom of religion and the principle of secularism which prohibit the interference of religion in state matters or of the state in religious issues. The inclusion of these articles marks a sharp break with the past and the Constitution provides a historic juncture guaranteeing complete freedom of religion. Nevertheless, there have been certain extremist elements that have been working to dismantle the age-old values of tolerance and the long history of mutual respect among the peoples of the country. Under the guise of demands for freedom of religion, these groups are working to dismantle the principle of secularism enshrined in the Constitution, seeking to set up a theocratic state. This year's celebration of the National Flag Day is intended to further sensitize youth in particular to the dangers of extremism and the way they are targeted against the values of tolerance and mutual respect embodied in the Flag.

In Addis Ababa, at the National Stadium, a colorful flag-hoisting ceremony for the National Flag and the flags of the Regional States will be held in the presence of officials and residents of the city. The ceremony will be attended by a guard of honor drawn from units of the police and the army. The National Anthem will also be played. Similar ceremonies will be held across the country in schools and government offices in the nine Regional States of the Federal Democratic Republic of Ethiopia.

Science and Technology Minister Demitu opens a Tsetse Eradication Exhibition in Vienna

An exhibition of the Ethiopian Southern Tsetse Eradication Project (STEP) was officially opened by Ethiopia's Minister of Science and Technology, Ms. Demitu Hambissa, on September 17, at the 57th General Conference of the International Atomic Energy Agency (IAEA) in Vienna, Austria. The opening ceremony was attended by the Director General of IAEA, Mr. Amano, the Ethiopian Ambassador Minelik Alemu Getahun, various senior IAEA officials, members of the Diplomatic Corps, participants of the General Conference and Staff of IAEA and Ethiopian nationals in Vienna.

Dr. Thomas Cherenet, Director of the Ethiopian Southern Tsetse Eradication Project from the Ministry of Science and Technology, explained the objectives of the Project and demonstrated the purposes of the exhibition. He also showed the activities of the field operation of Tsetse fly control and suppression and of the Kaliti Tsetse Flies Mass Rearing Center. He explained that Tsetse flies are vectors for transmission of blood parasites, known as Trypanosome, and in Ethiopia around 240,000 square kilometers, about a fifth of the country, suffers from tsetse flies which transmit the cattle disease, trypanosomosis. The objective of the Eradication Project is to suppress tsetse flies in a 25,000 square kilometer area of the Southern Rift Valley of Ethiopia. In the main, the project uses conventional methods but it also intends to the Sterile Insect Technique as the concluding component to eradicate the final 10% of the tsetse fly population. This will create an area suitable for agriculture and livestock development. The aim is to ultimately expand the effort to other tsetse-infested parts of the country.

The Director for Africa from the Technical Cooperation Department of IAEA explained the detailed technical, material, financial and capacity building support the Agency has been providing to Ethiopia to help implement the project. IAEA's Director General also spoke highlighting the importance of the project in improving peoples' lives and underlining his own commitment to the success of the Project.

Officially opening the Exhibition, Ms. Demitu Hambissa, welcomed the presence of the Director General of IAEA, the Ambassadors and Resident Representatives of Member States, Ethiopians and other invited guests. She explained the Project has reached a very critical stage of tsetse fly and trypanosomosis eradication in the Southern Rift Valle where large-scale suppression using all available technologies was under implementation. However, she added, there were other large fertile areas of the country still infested with tsetse fly where similar intervention was necessary. She called for the continued collaboration of the international community and IAEA for the success of the Project which, she pointed out, will contribute significantly to the achievement of Ethiopia's Growth and Transformation Plan.

The Minister explained that agriculture is the main source of livelihood for over 85% of the rural community of the country. The eradication of tsetse flies would provide an enabling environment for the optimization of crop and livestock production in what are now tsetse-infested areas of the country and substantially boost agricultural production. The Southern Rift Valley of Ethiopia, where the Southern Tsetse Eradication Project is being implemented, has high potential for both livestock and agricultural production, neither of which can be realized at the moment because of tsetse fly infestation. The Minister said efforts had been made over many years to implement and different initiatives to control tsetse fly infestation and trypanosomosis. These had included a number of small pilot programs but sustainability had been a major problem. She noted that STEP, with its much larger, area-wide approach had a significantly higher prospect of success. She also said the project was indeed making steady progress. Its effective strategies, including the active involvement of local communities, the integration of effective suppression and eradication technologies that are environmentally friendly and capacity building at all levels were translating into remarkable achievements.

Ethiopia's telecom sector development

Africa's current development, part of a geographic shift in economic trajectory, has been impressive in recent years, and Ethiopia is one of several countries on the continent which has been giving the momentum to this revival. Its economy has been growing steadily and significantly in double figures for almost a decade. Its growth has been broad-based and multi-sectoral, with new areas including the

service sector showing growth rates higher than those of agriculture and manufacturing. The telecom sub-sector has been no exception.

With major policy emphasis given to the development of Information and Communication Technology, and with the government's commitment to invest heavily in ICT infrastructure, the telecommunication coverage of the country has gone a long way from what it was some fifteen years ago. From an exceptionally low base of a few thousand mobile and internet subscribers and less than 200,000 fixed line telephone service customers, the sector has expanded exponentially. By June 2013 there were more than 23 million mobile phone subscribers and more than 4 million internet subscribers. The sole telecom service provider, the state owned Ethio Telecom, has not only expanded its coverage and customer base but is also introducing the latest technologies. It has laid over 10, 000 kilometers of fiber optic cable throughout the country and is providing for the next generation telecom services.

In the last two months, Ethiopia's Ethio Telecom, in line with the country's Growth and Transformation Plan, signed two US\$800 million deals with China's ZTE and with Huawei Technologies Co Ltd, the world's second largest telecom equipment maker, to expand mobile phone infrastructure and introduce a high-speed 4G broadband network in Addis Ababa and a 3G service throughout the rest of the country. This will provide adequate infrastructure and network coverage for more than 50 million mobile phone subscribers. Ethio Telecom remains is the only mobile operator in the country, but the government has given approval for private companies to provide value-added services and more than 200 firms have applied to provide such services.

In fact, the most telling achievements of the telecom sector are to be found in its focus of expanding services into areas where there is no great return on investment. Ethio Telecom's drive to build massive new telecommunication infrastructure and upgrade existing infrastructure was done with the view to provide services to areas without previous coverage and without the promise of new lucrative business. Within the framework of the broader ICT development policy of the country, public investment in telecommunication infrastructures had been directed not with profit motives in mind, but with the aim of accomplishing comprehensive telecommunication services access to all stakeholders. In line with that policy, telecom services development has included in its focus the connectivity of multiple institutions using Broadband VSAT technology. All high schools, universities, research institutions, *woreda* level government administration units and non-governmental organizations have benefited from VSAT telecom technology. The investment in acquiring this technology was huge in comparison with the small number of end users, but the associated economic and developmental effects necessitated, and easily justified, the cost.

Another instance of the effective implementation of the telecommunications sub-sector development strategy, and by extension its positive economic impact, can be seen in the impressive growth in the numbers of rural areas with access to telecommunications services. Under the Rural Connectivity Project, the government had planned to provide all-inclusive telecom services to rural and remote areas where previously there were not even the basic services. From almost zero percent, the coverage has now reached more than 84%, benefitting more 13,000 rural *kebeles* throughout the country.

These developments should be seen from a policy perspective. Critics, mainly western companies which would like to become involved in possible profits from the telecom sector, claim the Government's aim is to monopolize the sector as part of authoritarian efforts to keep control. In fact, the Government's long held view has been that the country will benefit most effectively if the best strategic sub-sectors such as telecommunications remain within the state's monopoly until all needed infrastructures have been built. One major reason for this position is the experience of other countries over privatization and liberalization of certain key sectors.

The private sector's key motive is, of course, as it should be, maximization of profit. Investment is always determined by actual return and value added. It avoids loss-making activities. Focus is given to areas with the highest possible profit. The state's principles differ significantly. Sustainable, broad-based growth and equitable distribution of development are guiding principles for the Government. Access to services like telecommunication is necessary for both economic and social development. Tying the provision of such services to market dictated calculations of monetary return on investment are not only economically counterproductive, they are also socially unjust.

It is from this policy perspective that the aggressive expansion of telecom infrastructure and services to previously deprived areas is being implemented. It is only possible if revenues from market segments that have a higher return on investment are shifted to segments with low or negative returns. For that, the state must be the most important actor in the sub sector. Calls for privatization of the state owned enterprise, Ethio Telecom, fail to take into account the peculiarities and requirements of Ethiopia's economy and development. Without the necessary infrastructure in place, liberalization of the sector will lead to concentration of service providers in areas with an already built-up infrastructure and proven capacity for high returns. This would only result in leaving a large part of the society without access to telecommunication services and decrease the contribution of these sectors of society to the ongoing development and renaissance of the country.