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Summary

The National Intelligence and Security Service (NISS) and Federal Police Joint Counter-terrorism Taskforce secures extradition of Ginbot 7 leader Andargachew Tsige from Yemen. Ethiopia and Djibouti agree a land and water deal as part of moves towards a wider strategic political and economic agreement. Djibouti cancels DP World's concession to manage the Doraleh Terminal which may affect Ethiopian imports and exports. NGO Survival International claims that Ethiopia's Development Assistance Group (DAG) has agreed to investigate alleged government human rights abuses in the Lower Omo Valley.

1.1 National Intelligence and Security Service detains opposition leader

Ethiopia's **National Intelligence and Security Service (NISS)** and **Federal Police Joint Counter-terrorism Taskforce** confirmed on 9 July that it was holding **Andargachew Tsige**, general secretary of **Ginbot 7**.¹ The arrest is part of a broader government strategy to tighten its grip on the opposition before the May 2015 general election.² The statement confirmed that **Yemeni** authorities detained Andargachew on 23 June and deported him to Ethiopia that same day. The first official confirmation of the deportation came in a Yemeni government statement on 4 July.³ The NISS also revealed for the first time that it had arrested **Abebe Wendmaginegn**, an alleged associate of Andargachew, in January for preparing to detonate a bomb in the **Bole-Medhanialem** area of **Addis Ababa**.

Authorities have confirmed that Andargachew will face terrorism charges, with the Ethiopian government considering Ginbot 7 a terrorist organisation. A Ginbot 7 statement claims that Yemeni authorities detained Andargachew on 23 June as he transited through **El Rahaba International Airport** in **Sanaa**. The **Yemen National Security Agency** has said that Andargachew's name

¹ The Reporter, 9 Jul 2014.

² The Reporter, 9 Jul 2014.

³ The Reporter, 4 Jul 2014.

appeared “*on a list*” but provided no further information.⁴ The NISS has claimed that it provided the intelligence that led to the arrest. Ethiopian media claimed that Andargachew, a **British** citizen, was travelling between **Dubai** and the **Eritrean** capital **Asmara**. Ginbot 7 responded to Andargachew’s detention in a statement that threatened unspecified retribution. The **United States (US)**-based Ginbot 7 has previously called for the overthrow of the ruling **Ethiopian People’s Revolutionary Democratic Front (EPRDF)**. Ginbot 7’s leader, **Berhanu Nega**, lives in exile in the US and has yet to comment on the arrest of Andargachew. Berhanu founded Ginbot 7 in response to the government crackdown on the opposition following the May 2005 national elections when he was elected Addis Ababa mayor. Berhanu and other members of his **Coalition for Unity and Democracy** elected to parliament refused to take their positions, accusing the EPRDF of electoral fraud. A court in December 2009 found Berhanu and Andargachew guilty in absentia alongside 30 other mostly former military officers and sentenced them to death for plotting to lead a coup to overthrow the EPRDF. The government claimed that Ginbot 7 planned to kill government ministers and blow up power and telecommunications facilities. A separate trial in 2012 again sentenced Andargachew to death. Western diplomats consider the charges politically motivated, noting that Ginbot 7 has no armed wing.⁵ Nega has previously claimed that he supports Eritrea’s arming of Ethiopian rebel groups. Andargachew’s travel to Amara will add to Ethiopian government efforts to portray Ginbot 7 and the opposition as in the pay of the Eritreans. Many Ethiopians view Eritrea’s government as worse than their own.

The arrest of Andargachew is part of a wider crackdown on opposition parties, with authorities detaining four unnamed individuals belonging to the **Semayami** (Blue) party, **Arena-Tigray** party and **Andinet (Unity for Democracy and Justice, UDJ)**. The NISS said that the individuals claimed to work for legally registered opposition parties, but were, in fact, working for Ginbot 7 and sympathetic satellite channel **ESAT**. Social media sources named the individuals as **Abraha Desta** (member of the Arena-Tigray executive committee who had recently accused Ethiopian authorities of charging eight members of the party with terrorism offences), **Habtamu Ayalew** and **Daniel Shibeshi** (UDJ), **Yeshewas Assefa** (Blue).⁶ The NISS statement issued an unusually stern warning, concluding that being a journalist or a member of a legally registered opposition party, or holding a foreign passport, are not guarantees of immunity.

1.2 *Ethiopia accelerates Djibouti integration plan*

⁴ AFP, 5 Jul 2014.

⁵ Source, western diplomat, Addis Ababa

⁶ Source, various online social media accounts

Ethiopia and **Djibouti** agreed a deal on land and water in June as part of moves towards a wider strategic political and economic agreement that will facilitate trade and investment. Ethiopian finance minister **Sufian Ahmed** and Djiboutian counterpart **Ilyas Moussa Dawaleg** signed the agreement on 20 June.⁷ The accord allows Djibouti to draw water from the **Shinile Zone** of Ethiopia's **Bekuli Rift Valley** without paying a fee. The agreement gives Djibouti "full and exclusive" rights to draw 37m cubic metres of underground water annually for 30 years. Djibouti will spend \$399m towards the drilling of holes and the construction of a 70km pipeline, but will not pay any charges or fees towards the water itself. Djibouti will export the water to its **Gulf of Aden** neighbours on commercial terms. Ethiopia's foreign ministry explained the generous terms of the accord, saying it will facilitate a broader political and economic integration plan.⁸ According to a foreign ministry spokesman,

*"The aim of the strategic integration plan is to bring about political unification... You cannot annex a sovereign country by force and incorporate it into your territory the way it was done during the imperial time. It will not be far for... Djibouti to join with their former homeland voluntarily... [You should] see Djibouti as part of Ethiopia."*⁹

The integration plan aims to secure Ethiopia's access to a coastline.¹⁰ Djibouti is Ethiopia's only major outlet/import terminal. Access to shipping trade routes has been limited since Eritrean independence in 1993. The port of **Asab** was built to link Addis Ababa with the **Red Sea**: **Asab** and **Massawa Port** have been unavailable to Ethiopia since the war with Eritrea in 1998-2000. Approximately 90% of Ethiopian exports pass through the deep water **Port of Djibouti**.¹¹ The governments of Djibouti and Ethiopia have been careful not to jeopardise the 2002 Ethiopia-Djibouti port use agreement that guarantees Ethiopia a permanent right of access and custom duty privileges. The government of Djibouti sold a 23.5% stake of **Port de Djibouti** and a 23% stake in **Djibouti Dry Port** to **China Merchants Holdings (International)** for \$185m in January 2013.¹² The Port de Djibouti company is the owner of the multipurpose terminal at the Port of Djibouti and holder of a 66.67% stake in **Doraleh Container Terminal**. In its official announcement of the deal, the **Djiboutian Maritime Authority** specifically stated that it would have no impact on the Ethiopia accord.

There is uncertainty about operations at the Port of Djibouti and Doraleh Terminal after Djibouti on 8 July cancelled **DP World's** concession to manage the Doraleh Terminal and began arbitration

⁷ Addis Reporter, 21 Jun 2014.

⁸ Addis Reporter, 21 Jun 2014.

⁹ Addis Reporter, 21 Jun 2014.

¹⁰ ERTA, 23 Jun 2014.

¹¹ ERTA, 23 Jun 2014.

¹² Asian Daily, 2 Jan 2013.

proceedings in **London**.¹³ The government alleges that it has evidence of corruption during the initial awarding of the 30-year concession.¹⁴ DP World denies the charges and may file a counter suit for breach of contract. The impact on Ethiopian businesses is uncertain. The Djibouti government has said that it has offered DP World the opportunity to continue running the Doraleh Terminal until the dispute is settled, but DP World is yet to respond.¹⁵ The Djibouti investment code stipulates that it will not expropriate private assets, while Djibouti is a signatory of the **International Centre for the Settlement of Investment Disputes**.¹⁶

Both Ethiopia and Djibouti have invested in improving railway, road and electricity connections to address the infrastructure deficit and reduce bottlenecks. In July 2013, construction began on a new 800km railway corridor between **Sebeta** just outside Addis Ababa and **Djibouti** city with a second new line to the port of **Tadjoura**. This is a priority for Ethiopia as it will facilitate potash exports from **Afar Regional State** to the international market. Work continues on the rehabilitation of the Djibouti-**Dire Dawa** highway and the construction of the **Dorra-Balho Northern Corridor**. Ethiopia began electricity exports to Djibouti in May 2011 and is committed to developing an interconnected electricity transmission system to secure further power supply exports. Ethiopia's nascent oil industry is also reliant on cross border infrastructure for exports (see *ARC Ethiopia February 2014 Briefing*).

Djibouti is about to enter a period of political uncertainty. President **Ismail Omar Guelleh** (1999-present) amended the constitution to run for a third term in the April 2011 presidential election but it is uncertain whether he will stand again in 2016 amid increasing ill health.¹⁷ Guelleh's party **Rassemblement populaire pour le progrès (RPP)** has done little to prepare a successor.¹⁸ Ethiopia's acceleration of political integration may aim to encourage continued political stability in Djibouti as part of its effort to ensure regional stability.

1.3 Survival International alleges human rights abuses around Gibe III dam

NGO **Survival International** released a statement on 23 June claiming that Ethiopia's **Development Assistance Group (DAG)** has agreed to investigate alleged government human rights abuses in the **Lower Omo Valley**.¹⁹ The DAG includes Ethiopia's largest donors, the **United Kingdom (UK)**, the US,

¹³ Bloomberg, 8 Jul 2014.

¹⁴ Bloomberg, 8 Jul 2014.

¹⁵ Bloomberg, 8 Jul 2014.

¹⁶ www.djiboutinvest.com/attachments/article/314/Investment-code.pdf

¹⁷ Source, political analyst, Djibouti

¹⁸ Source, political analyst, Djibouti

¹⁹ Survival International press statement, 23 Jun 2014.

Germany and the **World Bank**. The DAG provides significant financial assistance to Lower Omo regional authorities. The DAG will conduct a visit to the Lower Omo Valley at an unspecified date in 2014 to investigate the allegations. NGOs including the US-based **Oakland Institute** have repeatedly criticised the Ethiopian government for using violence in displacing **Bodi** and **Kwegu** communities for the \$1.7 billion **Gibe III** hydroelectric dam and state-owned irrigated sugar cane plantations. Western governments and diplomats tend to disregard the NGOs' reports and government investigations remain unpublished (see *ARC Ethiopia July 2013 Briefing*).

*"Oakland reports in particular have little credibility with donor governments. There was one report in particular where they claimed a photo of a body was evidence of a massacre, when in fact we were aware of the incident in question and it actually took place six months earlier 200 km away. I'm not saying that there aren't human rights abuses in the Lower Omo, I'm just saying that I instinctively distrust these reports."*²⁰

Gibe III will generate 1,800MW and is expected to earn the government over \$400m annually from exports.²¹ The export of electricity to neighbouring countries is at the heart of Ethiopia's energy policy as the government regards electricity as a reliable source of hard currency.

2 Implications

The government will continue its crackdown on the opposition, despite the various opposition groups not having the unity or finances to pose an electoral threat to the EPRDF in the May 2015 elections. Ginbot 7's support remains limited to the educated elite from the Amhara and Gurage ethnic groups, and any protests over the detention of Andargachew will be limited. Donor governments will become increasingly vocal in their criticism if the death sentence is upheld, although any sanctions will be limited because of Ethiopia's strategic security role in the region.

Political ties between Djibouti and Ethiopia will continue to deepen. If Guelleh decides to stand in Djibouti's 2016 presidential election, he will need to sustain his close links with Ethiopia to ensure continued political and legal protection from political foes. If Ethiopia is too closely associated with Guelleh, election opponents may increase anti-Ethiopian rhetoric. Improved infrastructure ties will help to ease the cost and length of time it takes to import and export goods from Ethiopia, which have increased due to rising fuel and storage costs in recent years. Extended uncertainty over the management of the Port of Djibouti and Doraleh Terminal may disrupt the flow of goods to and from Djibouti.

²⁰ Source, western diplomat, Addis Ababa

²¹ Source, journalist, Addis Ababa



The Gibe III dam's contribution to Ethiopia's energy export strategy means that it is highly unlikely that the government will revise plans despite NGO criticism. The Gibe III Hydroelectric Project and related agro-industry will exacerbate existing grievances amongst pastoralist communities about employment and access to resources.