

AFRICA RISK CONSULTING

Ethiopia Monthly Briefing September 2016

Ethiopia Summary 1 September 2016

Security forces violently disperse 500 anti-government demonstrators in capital Addis Ababa following a heavy-handed response to protests in Amhara and Oromia Regional States. There are no deaths in Addis Ababa but observers report up to 100 deaths across the country. China Railway Group Ltd (CRG) and China Civil Engineering Construction Corporation Ltd (CCECC) win the contract to operate the Ethiopia-Djibouti railway. Trials along the line are due to start in September. The United Nations (UN) warns that La Niña climate event in October or November may result in food shortages for remainder of the year.

Anti-government protests reach Addis Ababa

A rare anti-government demonstration in capital **Addis Ababa** has raised concerns within the ruling **Ethiopian People's Revolutionary Democratic Front (EPRDF)** about its handling of recent protests. The security forces' heavy-handed response to protests in **Amhara** and **Oromia Regional States** have exacerbated long-standing ethnic grievances. Oromia has been the site of protests over the **Addis Ababa and Oromia Integrated Development Master Plan** since November 2015 (see *ARC Briefing Ethiopia December 2015*). Protests in Amhara began in July over the disproportionate political and economic influence of the **Tigray People's Liberation Front (TPLF)** and **Tigray Regional State** annexing **Wolkait** in 1991 (see *ARC Briefing Ethiopia August 2016*). The Oromos and the Amharas have traditionally had an antagonistic relationship, but grievances about the TPLF appear to be increasingly uniting the protesters into a national opposition movement.¹ Oromia protesters are increasingly using pro-Amhara slogans, while the resumption of Amhara protests was apparently in response to the government temporarily demonstrating a more permissive attitude to Oromia protests.²

The violence in Amhara and Oromia escalated over the weekend of 6-7 August. Opposition **Qeerroo** activists had used the hashtag #OromoProtest during the preceding weeks to build momentum for anti-government action. Prime minister **Hailemariam Desalegn** (2012- present) on 5 August announced a ban on demonstrations that "threaten national unity"³ and called on security forces to use all means necessary to prevent them. Oromia Regional State president **Muktar Kedir** additionally issued a statement declaring the protests illegal.⁴ Despite the national and regional governments' prohibition on demonstrations, large but mostly disorganised opposition protests took place, triggering a violent security response. Security forces, including paramilitaries, used lethal force in response to the peaceful protests, escalating the violence.⁵ The most violent clashes between protesters and security forces were clustered in **Bahir Dar** (Amhara) and **Nekemte** (Oromia).⁶ Other protests took place in **Assasa, Adaba, Shashemene, Kofele, Ambo, Ginchi, Hararge** and **Wolega** in Oromo, and **Gondar** in Oromia.⁷ In response to ethnic violence targeting Tigrayan businesses in

1 Source, journalist, Addis Ababa

2 Africa Confidential, 26 Aug 2016.

3 Fana Broadcasting Corporation, 8 Aug 2016.

4 Addis Standard, 8 Aug 2016.

5 Africa Confidential, 26 Aug 2016.

6 Addis Standard, 8 Aug 2016.

7 Addis Standard, 8 Aug 2016.

Gondar, Tigrayans have reportedly left the city.⁸ As well as security forces' use of live ammunition to disperse protesters, security forces 'disappeared' other demonstrators, allegedly to military camps.⁹

The number of dead is uncertain. The opposition **Oromo People's Congress** claims that the government killed up to 50 protesters in Oromia, while **Amnesty International** estimates that 67 protesters died in Oromia and 30 in Amhara.¹⁰ Other sources in Ethiopia place the total dead at 100.¹¹ The government responded to the violence through the suspension of internet access, making independent verification of the casualty figures difficult. In response to the violent crackdown, at least 500 demonstrators gathered in **Meskel Square** (Addis Ababa) on 7 August, chanting political slogans.¹² Security forces violently broke up the Meskel Square protests and sealed major roads, although there were no deaths.

*"In an unprecedented move, protesters have also tried to stage a very rare rally in the capital Addis Ababa in which some of them carried the flag of the outlawed **Oromo Liberation Front (OLF)**. Police used a very brutal force to disperse the crowd in Addis Ababa and detained more than 1,000. Sources told me that these protesters were then taken to prison facilities located at **Awash 40** and **Awash 7** towns and were only released four days ago. Some of the people I talked to who were jailed said they were severely beaten during their detention."*¹³

Security forces have detained thousands of opposition members in Amhara and Oromia.¹⁴

*"Since the 7 August killings, Gondar and Bahir Dar cities in the Amhara region are in lockdown. Residents of these two cities have told me by phone that they are staging a stay at home protest that has left the cities deserted. I understood that hotels have closed their doors for business, banks are not operating, there are no government or private vehicles seen on the roads and almost all shops and other businesses are closed. I also learnt that the government was trying to convince the residents to get back to their normal activities but to no avail."*¹⁵

The EPRDF is divided over how best to respond to the protests. The TPLF is increasingly concerned about the anti-Tigrayan tone of the ethnic protests. External pressure is also increasing on the Ethiopian government. The office of the **United Nations High Commissioner for Human Rights (UNHCHR)** has called on the government to allow international observers to investigate security force actions to ensure accountability.¹⁶ The UNHCHR additionally called for the release of all political prisoners.¹⁷

*"The biggest voice against the killing by far is the UNHCHR which asked the Ethiopian government to allow UN investigators to probe the killings. But the government has since rejected the proposal and has said it will conduct the investigations by its personnel and make the results public. I'm also aware of a government plan to release the names of police officers whom it found to be using brutal force during the protests and punish them for their actions."*¹⁸

The government appears to be increasingly conciliatory. Hailemariam in a speech on 30 August expressed his condolences for all deaths during the protests and promised to uphold the rule of law.¹⁹ Hailemariam announced a reform package designed to improve the governance efficiency of the

⁸ Africa Confidential, 26 Aug 2016.

⁹ Addis Standard, 8 Aug 2016.

¹⁰ Daily Nation, 8 Aug 2016.

¹¹ Source, journalist, Addis Ababa

¹² AFP, 8 Aug 2016.

¹³ Source, journalist, Addis Ababa

¹⁴ www.africanarguments.org

¹⁵ Source, journalist, Addis Ababa

¹⁶ Legal Monitor Worldwide, 13 Aug 2016.

¹⁷ Legal Monitor Worldwide, 13 Aug 2016.

¹⁸ Source, journalist, Addis Ababa

¹⁹ Fana Broadcasting Corporation, 30 Aug 2016.

EPRDF and curb government corruption.²⁰ He also pledged to restructure the EPRDF.²¹ Hailemariam did not specify the shape of this reform or whether it would curb the influence of the TPLF. The government is also undertaking an active diplomatic effort to negate international criticism after protesters demonstrated outside western embassies.

*“It appears that the government is currently conducting meetings with representatives of **United States (US), European Union** and many **African Union (AU)** officials to provide their version of narrative regarding the protests. I have heard that the US will not assign a new ambassador to Ethiopia that will replace the current one, ambassador **Patricia Haslach**, who has just ended her term in protest at Ethiopia’s crackdown to the protests.”²²*

The US has typically been reluctant to take diplomatic steps over human rights abuses in Ethiopia due to its regional security role. The withholding of an ambassador would be unprecedented. This international pressure may encourage the government to adopt a more conciliatory stance with speculation that it is planning to convene a meeting at the AU in September with opposition party representatives and members of the diaspora which is largely hostile to the EPRDF.²³

Chinese state companies win Ethiopia-Djibouti railway operator contract

A consortium of **China**-based companies has won the operating rights for the Ethiopia-Djibouti standard gauge electrified railway line.²⁴ Once fully operational, the railway line between **Sebeta-Mieso-Dewele** will ease currently congested cargo flows from **Djibouti Port**, landlocked Ethiopia’s primary seaport. The consortium consists of **Shanghai** and **Hong Kong Stock Exchange**-listed **China Railway Group Ltd (CRG)**, effectively a subsidiary of state-owned **China Railway Engineering Corp**, and state-owned **China Civil Engineering Construction Corporation Ltd (CCECC)**.²⁵ The CCECC and China Railway Engineering Corp are constructing the \$4 billion 665 km line between Addis Ababa and Djibouti Port.²⁶ CRG and CCECC will manage the railway for six years.²⁷ The state-owned **Ethiopian Railways Corporation (ERC)** will then establish a new corporation to assume responsibility for operating the line.²⁸

The railway is approximately 95% completed with trial operations due to begin in September and its inauguration scheduled for 12 September.²⁹ The ERC has already received the 41 locomotives that will travel the line.³⁰ Once operational, the railway line will replace a dilapidated state-owned joint venture **Chemin de fer Djibouti Ethiopien**-operated diesel rail line which essentially stopped operations in 2008. The railway has a capacity of 3,500 tonnes, seven times that of the existing line, and will reduce transportation times for agriculture and light-manufacturing goods from two or three days currently to 10 hours, reducing operational costs.³¹

The council of ministers established the ERC in November 2007 with the mandate of developing an integrated and high-capacity railway providing competitive and affordable passenger and freight transport services. The ERC is extending the **National Railway Network of Ethiopia (NRNE)** by 5,000 km before 2020, as provided for in the first **Growth and Transformation Plan (GTP I)**.³² The second **Growth and Transformation Plan (GTP II)** subsequently reaffirmed this expansion plan.

20 Fana Broadcasting Corporation, 30 Aug 2016.

21 Fana Broadcasting Corporation, 30 Aug 2016.

22 Source, journalist, Addis Ababa

23 Addis Standard, 8 Aug 2016.

24 www.railjournal.com

25 Xinhua, 5 Aug 2016.

26 Xinhua, 5 Aug 2016.

27 www.railjournal.com

28 www.railjournal.com

29 www.railjournal.com

30 www.railjournal.com

31 www.railjournal.com

32 www.railjournal.com

The ERC is developing eight transport corridors but the expansion of the NRNE has fallen behind schedule due in part to financing challenges.³³

Due to persistently low levels of foreign currency reserves, the **National Bank of Ethiopia** (central bank) is encouraging the ERC to look to the private sector for infrastructure finance and operation.³⁴ In June, ERC CEO **Getachew Betru** obtained permission from the government to extend both freight and passenger railway network projects to the private sector.³⁵ The ERC is under additional financial pressure due to imminently beginning repayments to the **Export Import Bank of China (China Exim)** for the \$2.4 billion loan for the construction of the Ethiopia-Djibouti railway.³⁶ The ERC is also under pressure due to overseeing the start of development of new railway projects linking **Awash to Weldia** (at a cost of \$1.7 billion) and **Mekele to Hara Gebeya** (\$1.5 billion).³⁷

It is unclear how effectively the ERC will succeed in securing private sector financing. Civil construction companies have struggled in the face of competition from Chinese contractors and have struggled to secure financial instruments to develop railway projects.³⁸ The office of the auditor general in its 2015/2016 report to parliament additionally warned that inconsistent standards have resulted in project cost fluctuations and deterred private investment.³⁹ The government has moved to improve the regulatory and institutional framework to reassure investors. In August, the transport ministry finished developing a bill to establish a national rail regulator.⁴⁰ The regulator, once established, will assume responsibility for the railways from the **Federal Transport Authority**, which will continue to implement projects. It will establish and enforce safety standards and tariff levels including for the Ethiopia-Djibouti railway and the 39-station **Addis Ababa Light Railway Transit** which became operational in September 2015.⁴¹ The regulator will oversee the ERC and its suppliers and contractors including spare parts supplies, which the ERC has previously identified as a challenge to its operations, and issue professional certification for drivers and technicians.⁴² It will have the power to remove licences from railway operators in the case of security breaches. The transport ministry will introduce the bill to parliament in September, but the date for the establishment of the regulator is uncertain.

United Nations warns food shortages may persist through 2016

The **United Nations (UN)** has warned about the risk of a La Niña climate event in October or November.⁴³ Meeting the humanitarian need this causes will increase pressure on the Ethiopian government and international donors alike. The **UN Food and Agriculture Organization (FAO)**, the government and non-governmental organisations (NGOs) published a mid-year review on 12 August of the **Ethiopia Humanitarian Requirements Document (HRD)**.⁴⁴ The HRD noted that 900,000 additional households need urgent agricultural support, taking the total to 2.9 million.⁴⁵ The HRD estimates that meeting total needs requires \$45m, taking total annual requirements for the agriculture sector to \$91.3m.⁴⁶ The overall food security situation has marginally improved, with the total number of people requiring emergency food assistance decreasing from \$10.2 million at the start

33 www.railjournal.com

34 Indian Ocean Newsletter, 17 Jun 2016.

35 Indian Ocean Newsletter, 17 Jun 2016.

36 Indian Ocean Newsletter, 17 Jun 2016.

37 Indian Ocean Newsletter, 17 Jun 2016.

38 www.railjournal.com

39 Addis Fortune, 23 Aug 2016.

40 Addis Fortune, 23 Aug 2016.

41 Addis Fortune, 23 Aug 2016.

42 Addis Fortune, 23 Aug 2016.

43 FAO statement, 12 Aug 2016.

44 FAO statement, 12 Aug 2016.

45 FAO statement, 12 Aug 2016.

46 FAO statement, 12 Aug 2016.

of the year to 9.7 million.⁴⁷ International humanitarian agencies are, however, warning about the difficulty of securing donor funds:

*“It’s not a great secret that donor funds are depleted. The **East Africa** food crisis is politically sensitive as governments can’t afford, quite literally, to link it to the **Mediterranean** refugee crisis in case it undermines the narrative that they’re economic migrants rather than genuine refugees.”⁴⁸*

The FAO warned of the impact of La Niña, the counterpart of the El Niño climate event that resulted in the widespread failure of crops and loss of livestock in 2015.⁴⁹ La Niña occurs unpredictably every two to seven years and involves unusually cold temperatures in the **Pacific Ocean**. The FAO warned that households will take between two to four years to recover from El Niño, and in the meantime will remain especially vulnerable to climatic events. In particular, the FAO warned that La Niña rains may exacerbate seasonal floods from October onwards, undermining agricultural productivity and the livelihoods of farmers and agropastoralists. The FAO warned that La Niña will result in flooding in highland areas and drought in lowland livestock-dependent areas, especially in the Oromia and **Somali Regional States**. The FAO called on donors to mobilise to ensure that farmers have the necessary inputs to plant during the main *meher* agriculture season – which produces 85% of Ethiopia’s food supplies – before the end of September.⁵⁰ The FAO estimated that this will require \$8.8m in financial support to 530,000 agriculture households, and \$36.2m to support livestock-dependent households.⁵¹

Implications

The solidarity between the Amhara and Oromo protesters has resulted in a significant threat to the authority of the EPRDF. However, the link at this stage appears to be symbolic rather than strategic, while connections to armed opposition groups in **Eritrea** are entirely unproven. This suggests that at this stage the opposition movement does not pose a genuine threat to the EPRDF administration. The regional security role that Ethiopia plays, and the EPRDF’s capacity to ensure domestic stability, means that donors and international governments are likely to continue to back it. Nevertheless, ethnic protests are likely to increase in frequency and scale as long as the EPRDF does not open up formal political space for the opposition. While the opposition will welcome Hailemariam’s pledges, their significance or otherwise will depend on their efficient implementation once parliament resumes in October.

Improved infrastructure ties will help to ease the cost and length of time it takes to import and export goods between Ethiopia and Djibouti. The design and implementation of the new institutional and regulatory framework will determine how successful the ERC is in obtaining private sector financing.

Food insecurity is likely to persist through the end of 2016 due to the impact of La Niña. This will have both humanitarian and economic consequences. Lower output, higher prices and reduced water supplies will threaten the lives of rural communities, but also reduce labour and livestock income perpetuating poverty and place additional pressure on foreign currency reserves. Agricultural production is on a broadly positive trend, but Ethiopia will remain a net grain importer in the medium term despite international investment.

⁴⁷ FAO statement, 12 Aug 2016.

⁴⁸ Source, senior INGO official, East Africa.

⁴⁹ FAO statement, 12 Aug 2016.

⁵⁰ FAO statement, 12 Aug 2016.

⁵¹ FAO statement, 12 Aug 2016.

About Africa Risk Consulting:

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