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The ruling Ethiopian People's Revolutionary Democratic Front (EPRDF) elects Oromo Peoples' Democratic Organization (OPDO) chairman Abiy Ahmed as its chairman. Abiy, in line with convention, is subsequently elected prime minister. Somalia votes to expel United Arab Emirates (UAE)-based port operator DP World Ltd in response to its Port of Berbera deal with Ethiopia and the Somaliland government. The Ethiopian National Defense Force (ENDF) kills nine civilians in Moyale (Oromia Regional State) triggering mass displacements into Kenya.

Abiy elected as prime minister

Oromo Peoples' Democratic Organization (OPDO) chairman **Abiy Ahmed** was sworn in as prime minister on 2 April.¹ Abiy is the first Oromo to become prime minister and is therefore well placed to address the continuing anti-government tensions in the **Oromia Regional State**. Abiy was the front-runner to become prime minister (*see ARC Briefing Ethiopia March 2018*). The ruling **Ethiopian People's Revolutionary Democratic Front (EPRDF)** council elected Abiy as EPRDF chairman on 27 March.² While the OPDO has the most parliamentary seats of the EPRDF constituent parties, it has only become politically assertive in recent months. The most credible challenger to become EPRDF chairman was the deputy prime minister, **Demeke Mekonnen**, chairman of the **Amhara National Democratic Movement (ANDM)** who received **Tigrayan People's Liberation Front (TPLF)** backing during the week-long meeting.³ Demeke, however, withdrew his candidacy on 28 March apparently under pressure from council members concerned about TPLF dominance of the EPRDF.⁴ Abiy received 108 votes of the 169 council members.⁵ Abiy did not receive the votes of the TPLF members, the majority of whom voted for **Shiferaw Shigute** of the **Southern Ethiopian People's Democratic Movement (SEPDM)**.⁶ Shiferaw finished second with 59 votes, with **Debretsion Gebremichael** of the TPLF only two votes.⁷

Abiy used his inaugural address to the **House of People's Representatives** to burnish his reformist credentials, saying:

"This is a historic moment. This is high time for us to learn from our past mistakes and make up for all the wrongs done in the past, we understand there are lots of problems that need to be solved with great urgency."⁸

Abiy called for ethnic unity:

"Our identity is interwoven and intermingled. We are born Ethiopians and we die as Ethiopians."⁹

Abiy apologised for the death of civilians in the violent protests in the Oromia and **Amhara Regional States** which started in 2015.¹⁰ However, Abiy notably did not mention the continuing state of

¹ Ethiopian News Agency, 2 Apr 2018.

² Fana Broadcasting Corporation, 27 Mar 2018.

³ Addis Standard, 2 Apr 2018.

⁴ Addis Standard, 2 Apr 2018.

⁵ Addis Standard, 2 Apr 2018.

⁶ Addis Standard, 2 Apr 2018.

⁷ Addis Standard, 2 Apr 2018.

⁸ Washington Post, 2 Apr 2018.

⁹ Washington Post, 2 Apr 2018.

emergency. Abiy boycotted the original parliamentary vote that approved the state of emergency on 2 March.¹¹ However, his speech received broad praise:

"The election of Abiy has brought hope and optimism as people seemed happy with his previous comments and today's inaugural address in which he hinted a new path for Ethiopia and the need for national reconciliation."¹²

Other observers struck a note of caution:

"The most liberal speech I've ever heard under Ethiopia's sky. Abiy Ahmed literally declared departure from past. However, he is yet to be tested on policy fronts."¹³

A senior opposition leader warned that internal EPRDF dynamics, especially the TPLF opposition to his election as chairman, will constrain Abiy:

"What he aims to achieve depends on what his party allows him to do. But still it goes without saying a change in personalities within the leadership may bring changes in terms of bringing better ideas that may ultimately lead to national reconciliation."¹⁴

In his speech, Abiy said his priorities are opening political space for the opposition, combating corruption, increasing respect for the rule of law, and engaging the Ethiopian diaspora.¹⁵

Abiy additionally called for new dialogue with neighbour **Eritrea** over the unresolved border issue.¹⁶ An ARC Briefing researcher spoke to **Araia Desta**, Eritrea's most senior diplomat at the **African Union**, who said Abiy's election had not changed his government's stance towards Ethiopia.

*"I haven't yet received an official direction from **Asmara** to respond to this, but I can repeat what President **Isaias Afewerki** (1993-present) recently said: we want good relations with Ethiopia and Ethiopia's stability is in our interest."*

Abiy has held a number of senior positions in the Oromia government, including regional deputy president in charge of housing and urban development, and head of the OPDO secretariat. Abiy joined the House of People's Representatives in 2010. Prior to this, he was a lieutenant colonel in the **Ethiopian National Defense Force (ENDF)** when he established the **Internet Security Agency**, which developed the government's internet and communication technology surveillance programmes.¹⁷ Abiy joined the armed campaign against the **Derg** military regime in 1991, several months before the Derg collapsed and the EPRDF assumed power. Abiy's defence background might facilitate efforts to curb **Tigrayan** influence in the security sector.¹⁸ In 2015, the now former prime minister, **Hailemariam Desalegn** (2012-2018), appointed Abiy the science and technology minister.¹⁹ Abiy completed a PhD from the **Institute for Peace and Security Studies** of the **Addis Ababa University** in 2017.²⁰ Abiy was born in Oromia in 1976 to a Christian mother and Muslim father.²¹

Abiy has popular legitimacy with Oromo anti-government protesters, increasing the likelihood he will be able to curb the protests and lift the state of emergency. Broader political and security sector reform will prove a longer, more challenging process, with setbacks likely.

¹⁰ Washington Post, 2 Apr 2018.

¹¹ Addis Standard, 3 Mar 2018.

¹² Source, journalist, Addis Ababa

¹³ Source, publisher, Addis Ababa

¹⁴ Source, opposition leader, Ethiopia

¹⁵ Washington Post, 2 Apr 2018.

¹⁶ Washington Post, 2 Apr 2018.

¹⁷ www.ipssaddis.org.

¹⁸ www.africanarguments.com.

¹⁹ www.ipssaddis.org.

²⁰ www.africanarguments.com.

²¹ www.africanarguments.com.

Somalia votes to reject Ethiopia's Port of Berbera deal

Ethiopia's strategic investment in the **Port of Berbera** in autonomous **Somaliland (Somalia)** faces increased political risks after the Somalia parliament voted on 15 March to expel **United Arab Emirates (UAE)**-based port operator **DP World Ltd.**²² Ethiopia is looking to the Port of Berbera to reduce its dependence on the **Port of Djibouti (Djibouti)**, where DP World also faces an uncertain future, for its increasing imports and exports. Under the tripartite deal signed in **Dubai** on 1 March, Ethiopia would acquire a 19% interest in the Port of Berbera for \$80m, while the Somaliland government would hold 30%.²³ DP World would hold 51%, operating the port under a 30-year concession and develop the \$300m **Berbera** transport corridor and economic free zone.²⁴ However, Somalia's prime minister, **Hassan Ali Khayre**, issued a statement on 2 March declaring the "defective" Port of Berbera deal "*null and void*".²⁵ With the government's backing, the lower house of parliament voted against the deal on 12 March and the upper house on 15 March. Somalia's president, **Mohamed Abdullah Mohamed 'Farmajo'** (2017-present), must still sign the resolution into law.²⁶ If approved, the resolution will end DP World's development of ports in **Bossaso** and **Kismayo** in Somalia,²⁷ but it is unclear how the Somalia government would look to enforce the directive in Somaliland.

The Somalia federal government argues that it should be a party to the Port of Berbera deal.²⁸ There are political and financial reasons for the federal government's fears of being excluded from the contract. Politically, the government is concerned that an international contract with a neighbouring government will strengthen regional support for international recognition of Somaliland statehood, and loosen its influence over Berbera, which it sees as integral to a future unified Somalia state.²⁹ The Somaliland federal government is also an ally of **Qatar**, which financed Farmajo's successful presidential campaign in 2017, and is concerned by the increased influence of the UAE and **Saudi Arabia** in the **Horn of Africa**.³⁰ The UAE's main ally in **Mogadishu** (Somalia), the former prime minister, **Omar Ali Abdirashid Sharmarke**, unsuccessfully attempted to impeach Farmajo in parliament in 2017. The Port of Berbera represents an extension of UAE influence as the UAE plans to build a \$250m military base at Berbera in a deal linked to the port contract.³¹ The UAE also financed the 2017 election campaign of Somaliland president **Muse Bihi Abdi**.³² Furthermore, Ethiopia and the UAE signed a political memorandum of understanding on 8 March.³³

The federal government also fears losing out on revenue from the \$442m deal.³⁴ DP World will reportedly partner with the **Oslo Stock Exchange**-listed oil junior **DNO ASA**, which is about to start drilling on Block 18 in the **Sool** and **Sanaag Regions** in Somaliland.³⁵

*"Suddenly, there is a lot of money at stake. The real reason for the [federal government's] move against the Berbera deal is more venal than talk of national sovereignty might suggest."*³⁶

Somaliland has publicly upheld its right to enter the deal with Ethiopia and DP World. During a visit to the UAE to discuss the proposed military base, Muse said on 16 March that Somaliland had

²² www.thenational.ae.

²³ Source, INGO official, Somaliland.

²⁴ Source, INGO official, Somaliland.

²⁵ www.thenational.ae.

²⁶ www.thenational.ae.

²⁷ Africa Confidential, 15 Mar 2018.

²⁸ www.thenational.ae.

²⁹ Source, INGO official, Somaliland.

³⁰ Source, INGO official, Somaliland.

³¹ Source, political analyst, Somaliland.

³² Source, international election observer, Somaliland.

³³ The Ethiopian Herald, 8 Mar 2018.

³⁴ Source, INGO official, Somaliland.

³⁵ Indian Ocean Newsletter, 9 Jan 2018.

³⁶ Source, academic, UK.

agreed the Port of Berbera contract as “a sovereign state [and it] will be implemented.”³⁷ The Somaliland government has said the deal is not new but is an extension of an investment agreement with DP World that the Somaliland parliament originally approved in 2016, though Ethiopia does not appear to have been party to this original agreement.³⁸

The Port of Djibouti, which currently accounts for the movement of over 95% of Ethiopia's foreign trade,³⁹ also faces an uncertain future. On 23 February, the Djibouti government seized control of the **Doraleh Container Terminal**, which DP World has managed since 2006, in what DP World described as “an oppressive and cynical” move to force the company to renegotiate its contract.⁴⁰ DP World has started arbitration to challenge the appropriation in **London (United Kingdom)**.⁴¹ DP World recorded a 13.4% increase in container volumes in **Africa** in 2017.⁴²

Ethiopia's interest in the Port of Berbera faces an uncertain political future as it is at the centre of regional and **Gulf** politics beyond Ethiopia's direct influence. Even if the investment is secured, the Port of Berbera will not end Ethiopia's logistical bottlenecks, expensive trade procedures and continued high risk of congestion and delays. Lead times and costs will remain high due to Ethiopia's heavy reliance on a few motorways from the sea to urban centres.

ENDF killings trigger displacement into Kenya

The ENDF killed nine civilians in **Moyale** (Oromia Regional State) on 11 March in an operation under the continuing state of emergency.⁴³ The killings will increase the frequency and scale of anti-government protests in the Oromia, which has seen an increase in protests, business boycotts, and the arrest of local officials since the imposition of the state of emergency. Moyale straddles the porous Ethiopian/ **Kenyan** border. The ENDF soldiers were operating under the **Command Post** overseeing that state of emergency.⁴⁴ The government has said the ENDF soldiers face investigation and a possible military court.⁴⁵ The government has said that the ENDF soldiers were operating under a “mistaken intelligence report”⁴⁶ while in pursuit of **Oromo Liberation Front (OLF)** militants who had crossed the border from Kenya.⁴⁷ The OLF had claimed on 13 March that it had killed 72 ENDF soldiers on two attacks on military patrols in Moyale and on a military convoy near the border earlier in March.⁴⁸ There is no independent information to substantiate the OLF claims. The **International Red Cross** has said that the violence displaced 8,000 civilians who crossed the border into **Moyale County** (Kenya).⁴⁹ The regional state-owned **Oromia Broadcasting Network** put the number of displaced civilians at 50,000.⁵⁰ The Kenyan government has deployed additional security forces and heavy artillery to border entry points in Moyale to improve security.⁵¹

“Security in Moyale has improved since the extension of the concrete road to the border. Previously, security forces couldn't respond quickly, which encouraged banditry. Now, they are much more rapid, and this has encouraged more effective coordination between Ethiopian and Kenyan forces.”⁵²

³⁷ Statement on Twitter, 16 Mar 2018.

³⁸ www.thenational.ae.

³⁹ Journal of Commerce, 15 May 2017

⁴⁰ FT, 23 Feb 2018.

⁴¹ FT, 23 Feb 2018.

⁴² FT, 23 Feb 2018.

⁴³ Addis Standard, 12 Mar 2018.

⁴⁴ Addis Standard, 12 Mar 2018.

⁴⁵ Deutsche Welle, 15 Mar 2018.

⁴⁶ Addis Standard, 12 Mar 2018.

⁴⁷ Addis Standard, 12 Mar 2018.

⁴⁸ Bloomberg, 16 Mar 2018.

⁴⁹ Deutsche Welle, 15 Mar 2018.

⁵⁰ Bloomberg, 16 Mar 2018.

⁵¹ Bloomberg, 16 Mar 2018.

⁵² Source, INGO official, northern Kenya.

The **House of People's Representatives** approved the six-month state of emergency on 2 March, but it faced unprecedented opposition from OPDO members of parliament (MPs). Out of 490 MPs present, 395 voted in favour of the state of emergency, and 88 against, compared to the unanimous backing that the 2016 state of emergency received.⁵³ The opposition **Oromo Federalist Congress (OFC)** described the state of emergency as “*unconstitutional*” on 5 March and said it will begin legal action against the government.⁵⁴

The state of emergency alone will not end anti-government protests in the Oromia. Protesters will target government property and foreign-owned commercial sites and vehicles. Cross-border operations against the OLF in northern Kenya will continue with Kenyan acquiescence, though the operations will be small and unlikely to escalate.

Planner

August 2018 **(Ethiopia)** *Horn Affairs*. **Ethiopian People's Revolutionary Democratic Front (EPRDF)** to hold congress;

2018 **(Ethiopia)** *Addis Fortune*. Local elections.

Chronology

2 Apr 2018 **Addis Ababa (Ethiopia)** *Addis Standard*. **Abiy Ahmed** is sworn in as the prime minister;

2 Apr 2018 **(Ethiopia)** *Al Ahram*. The **Egyptian** government says talks over the **Grand Ethiopian Renaissance Dam (GERD)** will resume once a new government is formed in Ethiopia;

1 Apr 2018 **(Ethiopia)** *ENA*. The government plans a national investor conference for the GERD, but does not indicate date;

31 Mar 2018 **(Ethiopia)** *Fana Broadcast Corporation*. State media reports that 1,100 people are detained under the state of emergency;

28 Mar 2018 **Ogaden (Ethiopia)** *Petroleum Africa Magazine*. **China-based Poly GCL** confirms new gas discovery in the **Calub** and **Hilala** gas fields;

27 Mar 2018 **Addis Ababa (Ethiopia)** *Fana Broadcast Corporation*. The ruling **Ethiopian People's Revolutionary Democratic Front (EPRDF)** council elects Abiy as EPRDF chairman;

19 Mar 2018 **Cairo (Egypt)** *Al Jazeera*. **Sudanese** President **Omar al-Bashir** pledges to support Egyptian President **Abdel Fattah el-Sisi** over the GERD;

19 Mar 2018 **(Eritrea)** *Bloomberg*. Eritrean information minister **Yemane Gebremeskel** rejects allegations his government is looking to destabilise Ethiopia in the wake of Hailemariam's resignation;

18 Mar 2018 **Addis Ababa (Ethiopia)** *ENA*. The government launches diaspora lottery to finance the GERD;

16 Mar 2018 **(Ethiopia)** *ENA*. The **World Bank** approves \$600m **International Development Association** financing for urban governance and infrastructure projects;

11 Mar 2018 **Oromia (Ethiopia)** *Addis Fortune*. The **Ethiopian National Defense Force (ENDF)** mistakenly kills nine civilians in **Moyale**;

10 Mar 2018 **Addis Ababa (Ethiopia)** *Addis Fortune*. The EPRDF executive committee convenes to complete evaluation reports;

10 Mar 2018 **Addis Ababa (Ethiopia)** *Addis Fortune*. The **Central Statistical Agency** publishes data showing that headline inflation increased to 15.6% in February, a five-year high;

⁵³ ENA, 3 Mar 2018.

⁵⁴ Addis Standard, 6 Mar 2018.

- 9 Mar 2018 **Addis Ababa (Ethiopia)** *VOA*. The defence minister, **Siraj Fegessa**, announces the arrest of the “*main instigators*” of the anti-government protests;
- 8 Mar 2018 **(Ethiopia)** *Ethiopian Herald*. Ethiopia and the **United Arab Emirates** sign political memorandum of understanding;
- 7 Mar 2018 **Oromia (Ethiopia)** *Addis Fortune*. The defence minister, **Siraj Fegessa**, criticises regional market boycott as an “*attempt to seize state power*”;
- 6 Mar 2018 **Berbera (Somaliland)** *Radio Kulmiye*. The opposition **Waddani** party describes the tripartite Port of Berbera deal as illegal;
- 6 Mar 2018 **(Ethiopia)** *VOA*. The then **United States (US)** secretary of state, **Rex Tillerson**, announces \$110m in new humanitarian financing for Ethiopia;
- 5 Mar 2018 **Oromia (Ethiopia)** *Addis Fortune*. The opposition **Oromo Federalist Congress (OFC)** threatens legal action over the “*unconstitutional*” state of emergency;
- 2 Mar 2018 **Addis Ababa (Ethiopia)** *VOA*. The **House of People's Representatives** approves the state of emergency, despite unprecedented opposition;
- 1 Mar 2018 **Berbera (Somaliland)** *Press release*. Ethiopia secures a 19% interest in the Port of Berbera for \$80m, with **DP World Ltd** holding 51% and the Somaliland government 30%.

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