

AFRICA RISK CONSULTING

Ethiopia Monthly Briefing April 2020

Ethiopia Summary 18 April 2020

Prime minister Abiy Ahmed (2018-present) declares a state of emergency and postpones the highly anticipated August election to fight the coronavirus outbreak, as the country hits almost 100 confirmed cases. While the decision to delay the election is justified, it will hamper the country's remarkable, but incomplete, journey from authoritarianism to democracy. As Abiy achieves some success in drawing international support for his country's fight against coronavirus, his slow and relatively relaxed domestic response – including keeping Ethiopian Airlines flying and the country's main airport open – has received heavy criticism. The United Nations (UN) Food and Agriculture Organisation (FAO) says one million people are in need of emergency food assistance in Ethiopia after the worst desert locust outbreak in decades, with more swarms to come. The problem is compounded by the global coronavirus outbreak as regional governments wrestle with the question of whether they should partially open borders to curb the spread of the locusts or close borders to curb the spread of the virus.

Coronavirus threatens Ethiopia's democratic transition ...

Prime minister **Abiy Ahmed** (2018-present) on 8 April declared a state of emergency to fight **coronavirus**, and warned of “grave legal measures” against anyone who undermines the government's efforts. At time of writing, **Africa's** second most populous nation has recorded 96 cases of covid-19 and three deaths.¹ The extraordinary global situation has had immediate and significant political repercussions in Ethiopia, most notably causing Abiy to delay indefinitely what was likely to be a highly competitive August election. While the decision was justified and necessary, it will hamper the country's remarkable, but incomplete, journey from authoritarianism to democracy. The global pandemic is driving governments across the world to centralise control, giving authoritarian governments an alibi to become more authoritarian – these will be a few testing months for Ethiopia as the newly democratic political system is still dusting off decades of authoritarian rule.

The government and the electoral board were already struggling to meet the election schedule for a 29 August vote. The delay gives government more time to set up the structures and process to ensure a well-managed election. It also gives many newly formed political parties in Ethiopia's rapidly evolving political space more time to establish themselves and their voter base. Conducting the election after the global pandemic will also mean international election moderators can be present. Prior to the delay, opposition parties were voicing fears that the election would feature violence. The delay, and the distraction away from domestic politics, could give the present high level of political and ethnic tension time to simmer down.

However, the postponement has also created many new short- and medium-term risks and uncertainties. The pandemic has provided government with a red herring on the electoral process, diverting attention away from the election and onto the global pandemic. Postponing the election could cool down dangerously high tensions in the country, but on the other hand it could increase division between political parties and raise anti-government sentiment. The election delay pushes Ethiopia past the five-year constitutional deadline to hold an election, meaning government will stay in power longer than its mandate. This raises issues around the authority of the government once the state of emergency is over, and is likely to cause a rise in instability and protests.

¹ World Health Organisation, 17 Apr 2020

Leading opposition politician **Jawar Mohammed** has criticised Abiy's declaration of a state of emergency on the grounds that it is not justified if Abiy believes a strict lockdown is not necessary. Government has so far refrained from imposing a lockdown similar to those in effect elsewhere in the region, including in **Rwanda, Uganda** and **Mauritius**. The concern is that Ethiopia has a large number of people living in poverty or subsistence who would not be able to manage a strict lockdown. Abiy has said that a harsher lockdown would be unrealistic given that there are "*many citizens who don't have homes*" and "*even those who have homes have to make ends meet daily*."²

Some argue that the postponement of the election was too early and that it indicates Abiy's intention to tighten his grip on power. The opposition **Oromo Liberation Front (OLF)** has raised concerns about the state of emergency, fearing that it will lead to human rights abuses. There is reason for the OLF to be concerned: human rights abuses occurred under previous states of emergency imposed during several years of anti-government protests that swept Abiy to power. Ethiopia's constitution says that under a state of emergency, the **Council of Ministers** (cabinet) has "*all necessary power to protect the country's peace and sovereignty*" and can suspend some "*political and democratic rights*". The constitution states that legislators need to approve a state of emergency and allows for it to last for six months, with the ability to extend it every four months.

... as Ethiopia implements a slow, tentative lockdown ...

Prime minister Abiy Ahmed said on 30 March that Ethiopia had completed distributing testing kits, masks and protective suits received from **China**-based **Alibaba Group** founder **Jack Ma**.³ Abiy has achieved some success in pulling in international support for Ethiopia's fight against coronavirus, including large donations from Jack Ma and Ethiopia-born **Saudi** billionaire **Mohammed Ali Al-Amoudi**. However, his slow and relatively lax domestic response to the pandemic has received heavy criticism, although it may prevent the economy from collapsing.

Abiy's declaration of a state of emergency came after many other countries in the region had already done so and its measures are much less strict, particularly on business. Government has closed schools and land borders, and has banned meetings of more than four people for religious, government and other organisations, including political gatherings, but the new rules prohibit companies from laying off workers and terminating employment, eviction of tenants, and rent increases.

While many **African** states have been commended on their early and firm response to covid-19, Abiy's slow and hesitant lockdown has raised concerns. The government's fear is that imposing tight regulations would derail its efforts to modernise the economy. There is justification for this fear: if tough lockdowns are crippling many of the world's largest economies, how are much less wealthy and more fiscally constrained nations expected to cope? Ethiopia's finance minister **Eyob Tekalign Tolina** has said:

*"I don't think this pandemic could have come at any worse time than this. We cannot afford to leave a lasting shock on the economy because we have too much to lose."*⁴

The global pandemic threatens to ruin Ethiopia's high economic growth rate for the past several years. Ethiopia has averaged annual economic growth of around 10% for the past decade, the fastest on the continent and one of the fastest worldwide. Ethiopia's **Jobs Creation Commission** commissioner **Ephrem Lemango** has said that Ethiopia could lose as many as 2 million jobs over the next three months because of the pandemic.⁵

Much of Ethiopia's growth was driven by the expansion of national carrier **Ethiopian Airlines** and billions of dollars in industrial investment by China, the country's largest trading partner. The

² Al Jazeera, 8 Apr 2020

³ 'Abiy Ahmed Ali' Facebook, 30 Mar 2020

⁴ Bloomberg, 16 Apr 2020

⁵ New Business Ethiopia, 11 Apr 2020

government want to keep Ethiopian Airlines flying since the national carrier provides 3% of national output and is a key source of hard currency. Ethiopian Airlines says it has lost at least \$550m in revenue this year.⁶ While Ethiopian says it is running at 10% of normal capacity, it is still flying to various locations in **Europe, Asia, the Middle East** and across Africa, and the nation's main airport **Addis Ababa Bole International Airport** is still open. Ethiopian Airlines flew Jack Ma's consignment of covid-19 protection gear from China to Bole International Airport, and delivered it across Africa using the same airline.

The decision has received heavy criticism. Keeping the airports open leaves the country vulnerable to new infections. Other countries with large regional airlines such as **South African Airways** and **Kenya Airways** have grounded their fleets and closed their borders. Most other African nations refuse travelers from countries with more than 200 coronavirus cases.

... and locusts swarms back with vengeance

United Nations (UN) Food and Agriculture Organisation (FAO) said on 10 April that one million people are in need of emergency food assistance in **Ethiopia** after the worst desert locust outbreak in decades.⁷ Locust numbers are expected to increase 500-fold during the rainy season of March-June, which will pose a major threat to food security and livelihoods in Ethiopia if it fails to stop the spread of the swarm. Over 8.5 million people are already food insecure and depend on humanitarian food assistance, most of which are in the **Oromia and Southern Nations, Nationalities, and Peoples' (SNNP)** regions.⁸

The global coronavirus pandemic is exacerbating the problem. The FAO stated in April:

*"Currently hopper bands and a new generation of immature swarms are forming in the Oromia and SNNP regions, including the **Rift Valley** – the nation's breadbasket. Desert locusts are currently active in 161 woredas (districts), down from 172 in February 2020."*⁹

The UN **Office for the Coordination of Humanitarian Affairs (UNOCHA)** said it expects new swarms to coincide with harvest in June and July:

*"In May, the eggs will hatch into hopper bands that will form new swarms in late June and July, when the harvest starts. Recent heavy rains are also likely to enable a new generation of breeding throughout **Somalia**, in northern **Kenya** and in southern Ethiopia, leading to an exponential increase in the desert locust population."*¹⁰

UNOCHA has urged regional governments to open borders to allow its locust-control experts to move freely to curb the spread of the locusts. However, doing so threatens government efforts to curb the spread of the virus.

*"While governments are taking timely measures to halt the spread of covid-19, including movement restrictions, it is critical that they facilitate and fast-track customs procedures and the seamless movement of items and critical personnel to enable the timely and effective control of the locust upsurge in the region."*¹¹

The FAO recently scaled up its **Desert Locust** funding appeal to \$153.2m, of which \$65.5m is for Ethiopia. Around \$114m has been pledged or received, \$29m of which is destined for Ethiopia. The FAO is continuing its efforts to contain the locust upsurge despite restrictions on the movement of personnel and equipment resulting from the covid-19 pandemic. The **African Development Bank (AfDB)** said on 2 April that it has approved a \$1.5m emergency relief grant to assist Ethiopia and eight other **Eastern African** countries to curb the spread of the locusts.

⁶ Business Day, 7 Apr 2020

⁷ FAO, 10 Apr 2020

⁸ New Business Ethiopia, 7 Apr 2020

⁹ FAO quoted in New Business Ethiopia, 7 Apr 2020

¹⁰ UNOCHA, 17 Apr 2020

¹¹ UNOCHA, 17 Apr 2020

The FAO is already helping governments and other partners with monitoring, surveillance and coordination assistance during control operations. The UN agency is also preparing action to protect rural livelihoods by providing affected growers with farming packages, veterinary care for livestock and cash for families who have lost their crops so that they can purchase food. In Ethiopia, the locusts have caused widespread losses of sorghum, wheat and maize, also known as corn, and vastly reduced the amount of land available for cattle grazing. The insects have damaged nearly 200,000 hectares of cropland, leading to the loss of over 356,000 tons of grain.

Planner

1 Jul 2020 **(Africa) African Continental Free Trade Area** deadline for 90% tariff liberalisation;

Chronology

14 Apr 2020 **Addis Ababa (Ethiopia) Borkena**. Government and the **United Nations** launch a hub at **Bole International Airport** in capital **Addis Ababa** to distribute life-saving supplies across the **African** continent against **covid-19**;

13 Apr 2020 **Addis Ababa (Ethiopia) Borkena**. Government launches a nationwide door-to-door temperature screening campaign to prevent and mitigate the spread of **coronavirus**;

13 Apr 2020 **Addis Ababa (Ethiopia) Reuters**. **United Nations** says that deportations of illegal migrant workers by **Saudi Arabia** to **Ethiopia** risk spreading the **coronavirus**;

10 Apr 2020 **Addis Ababa (Ethiopia) Aljazeera**. **United Nations Food and Agriculture Organisation** says one million people are in need of emergency food assistance in **Ethiopia** after the worst desert locust outbreak in decades;

5 Apr 2020 **Addis Ababa (Ethiopia) Borkena**. Health minister **Lia Tadesse** announces the first fatality in **Ethiopia** from **covid-19**;

3 Apr 2020 **Addis Ababa (Ethiopia) Reuters**. Prime minister **Abiy Ahmed** signs a power purchase agreement worth \$800m with **Tulu Moyo Geothermal Operations**, a holding company for **France**-based investment firm **Meridiam SAS**, and **Iceland**-based **Reykjavik Geothermal**, for a 150 MW geothermal plant in the **Arsi Zone**;

2 Apr 2020 **Addis Ababa (Ethiopia) Quartz**. Parliament passes a directive that allows foreign mobile money service providers to acquire licences in **Ethiopia** as long as they put up 50 million Ethiopian Birr (\$1.6m) as a minimum requirement;

1 Apr 2020 **Addis Ababa (Ethiopia) New Business Ethiopia**. Prime minister **Abiy Ahmed** urges all **Ethiopians** to unite and complete the **Grand Ethiopian Renaissance Dam** before the rainy season starts in July – it is currently 70% complete;

31 Mar 2020 **Addis Ababa (Ethiopia) Borkena**. **National Election Board of Ethiopia** postpones the upcoming August 2020 general election due to **covid-19**, with no new date set;

31 Mar 2020 **Addis Ababa (Ethiopia) FBC**. **Ethiopia**-born **Saudi** billionaire **Mohammed Ali Al-Amoudi** donates 120 million birr (\$3.6m) to combat **covid-19** in Ethiopia;

31 Mar 2020 **Oromia (Ethiopia) New Business Ethiopia**. **Oromia** deputy president **Shimelis Abdisa** lifts telecom service ban in four zones of **Western Wellega, Oromia Region**, amid criticism that a months-long shutdown was depriving millions of vital information about the **covid-19** pandemic;

30 Mar 2020 **Addis Ababa (Ethiopia) Facebook**. Prime minister **Abiy Ahmed** says **Ethiopia** has completed distributing **covid-19** protection products received from **China**-based **Alibaba Group** founder **Jack Ma**;

27 Mar 2020 **Addis Ababa (Ethiopia) New Business Ethiopia**. Government orders **National**

Bank of Ethiopia (central bank) to disburse about \$460m to private banks for debt relief and loans during the **covid-19** outbreak;

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