

AFRICA RISK CONSULTING

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Ethiopia Summary 17 November 2021

An alliance including the Tigray People's Liberation Front (TPLF) and Oromo Liberation Army (OLA) forms against Ethiopia's national government after it declares a six-month state of emergency, leading to mass arrest of ethnic Tigrayans. Ethiopia sends a climate envoy to the United Nations Climate Change Conference of the Parties (COP26) as it looks to counter climate effects through governmental and multilateral intervention. The governing authority on tea and coffee production reports larger than expected returns on coffee exports and growth as global prices surge due to competitors facing a range of production and supply issues. Covid-19 cases continue to decline in Ethiopia.

Addis holds strong as forces unite against Abiy ...

The **Ethiopian** government is facing increasing internal pressure over the conflict in the **Tigray** region. The rebel **Tigray People's Liberation Front (TPLF)** has made advances towards the capital while nine anti-government groups have formed an alliance named the **United Front of Ethiopian Federalist and Confederalist Forces (UFEFCF)** aiming to overthrow the government of prime minister **Abiy Ahmed** (2018-present).¹ Increasing pressure has led the government to enforce a six-month state of emergency beginning 2 November, suggesting the conflict is likely to continue unabated as warring factions vie for control of the country.

The advance of TPLF forces from the north towards the capital, **Addis Ababa**, has led to claims that the rebel group has been able to take control of several towns as close as 350 km from Addis Ababa. This includes towns such as **Dessie**, **Kombolcha** and **Burka** in the **Amhara** region, a semi-autonomous region that is helping government forces in the fight against the TPLF.² However, the government has disputed these claims, saying that TPLF forces have not fully taken control.

The UFEFCF announced its formation on 5 November, during the visit of **United States (US) Horn of Africa** envoy **Jeffrey Feltman**.³ Alliance members include the TPLF and the **Oromo Liberation Army (OLA)**, which is based in the country's south. The **Oromo** are the largest ethnic group in Ethiopia. OLA Commander **Jaal Marroo** highlighted the government's vulnerable position, stating:

"What I am sure (of) is that it is going to end very soon. We are preparing to push for another launch, and for another attack. The government is just trying to buy time, and they are trying to instigate civil war in this country."⁴

The government implemented the state of emergency on 2 November, just two days after Abiy had urged citizens to defend themselves and their communities in the capital by taking up arms. Violation of regulations imposed in terms of the state of emergency may result in three-to-ten-year prison sentences.⁵ Landlords in cities such as Addis Ababa and **Dire Dawa**, Ethiopia's second most populous city, are required to register their tenants' identities with police. Reports have already surfaced of ethnically inspired arrests against Tigrayan individuals and business owners under the guise of supporting terrorist groups, as well as community vigilante groups brandishing sticks and rounding

¹ CNBC, 8 Nov 2021

² Reuters, 7 Nov 2021

³ CBS, 8 Nov 2021

⁴ Al Jazeera, 5 Nov 2021

⁵ Reuters, 7 Nov 2021

up ethnic Tigrayans.⁶ Human rights groups and lawyers argue that even children and the elderly have been arrested seemingly on the basis of ethnicity.⁷ **United Kingdom (UK)**-based non-governmental organisation **Amnesty International** director for **East and Southern Africa**, **Deprose Muchena**, said mass arrests have instilled a climate of fear among Tigrayans:

*"Those currently locked up have not been charged or brought before a court and many have been targeted purely on the basis of their ethnicity."*⁸

However, the official government line reports that only those suspected of supporting TPLF forces are being arrested, while tens of thousands took part in pro-government rallies in Addis Ababa in a show of support for the government on 7 November.⁹ Justice minister **Gedion Timothewos** justified the enforcement of a state of emergency as essential to the survival of the state:

*"Our country is facing a grave danger to its existence, sovereignty and unity. And we can't dispel this danger through the usual law enforcement systems and procedures."*¹⁰

As rebel forces advance towards the capital, **Oromia Regional State** has imposed further curfew as of 13 November, restricting movement between 9pm and 5:30am without official permits and requiring all events and businesses to close by 9pm.¹¹ The joint directive from the regional attorney general and peace and security bureau asks citizens to make known and aid with the arrest of "strange faces in their surroundings" by tipping off security forces.¹²

The civil conflict is likely to have further ramifications on international confidence and support. The US has authorised departures of all non-essential staff and family members from the country while repeating its willingness to impose sanctions on the government if the warring factions do not take up political dialogue. The **United Nations Human Rights Commission (UNHRC)** and the **Ethiopian Human Rights Commission (EHRC)** released a report on 3 November documenting the human rights violations committed by all parties involved in Tigray.¹³

... making COP26 a low priority for Ethiopia's government ...

Despite environmental issues increasingly affecting a wider segment of Ethiopian society, climate change issues are not a current priority for the government. With domestic security issues to deal with, prime minister Abiy Ahmed chose not to attend personally the **United Nations Climate Change Conference of the Parties (COP26)** that began in **Glasgow (UK)** on 31 October. Instead, Abiy sent a delegation led by environment, forest and climate change commissioner Professor **Fekadu Beyene**.¹⁴

Climate change has led to recurrent drought in parts of Ethiopia, exacerbated by a dramatic increase in population size. Ethiopia has also faced more extreme and temperamental rainfall patterns that are likely to disproportionately affect the rural population in its ability to sustain livelihoods and the progress made in recent years.¹⁵ Successive bouts of drought and extreme rainfall cause land degradation, soil erosion and desertification, threatening productivity and food security.

The Ethiopian government has made progress towards action on climate change, despite the country's emissions and contributions to greenhouse gases being relatively innocent compared to those of other countries. Ethiopia was the first country to submit its Intended Nationally Determined Contribution to the **United Nations Framework Convention on Climate Change (UNFCCC)**, which outlines strategies to develop a greener economy. The government has also conducted several

⁶ The Guardian, 11 Nov 2021

⁷ The Guardian, 11 Nov 2021

⁸ Amnesty International website, 7 Nov 2021

⁹ VoA, 7 Nov 2021

¹⁰ Reuters, 7 Nov 2021

¹¹ Addis Standard, 15 Nov 2021

¹² Addis Standard, 15 Nov 2021

¹³ Daily Mail, 4 Nov 2021

¹⁴ Addis Standard, 1 Nov 2021

¹⁵ World Health Organisation website, 10 Nov 2021

assessments to evaluate climate change and allow a strategic development framework to be drafted into a national adaptation plan.¹⁶

Coffee bean farmers and other stakeholders in Ethiopia's coffee sector are also increasingly paying attention to the effects of climate change on the industry. An April 2021 report by academic journal **Scientific Reports** indicates that coffee growing areas are likely to change in Ethiopia, **Africa's** largest coffee producer. Climate change may make Ethiopia increasingly unsuitable for growing high-quality beans (see below).¹⁷

... as coffee sector growth exceeds expectations ...

Despite climate change challenges and the current political and security crisis, Ethiopia is solidly placed to take advantage of the climate-related issues some of its competitors currently face, as well as increasing coffee prices.¹⁸ Ethiopia expects to document another year of record-breaking exports and growth in its coffee industry. Coffee exports will be a key source of foreign currency for Ethiopia amid its deteriorating political situation.

Coffee output has increased steadily over the last three years. Latest statistics from the **Ethiopia Tea and Coffee Authority (ETCA)** indicate that in the three months through to October, exports reached 86,000 tonnes, generating \$327.9m – a 77% jump in expected earnings for the period. ETCA estimates that exports in the current fiscal year will reach 250,000 tonnes. At current commodity prices, these are expected to generate \$1.1 billion.¹⁹ Despite the current civil conflict, there has been no disruption to growing regions or supply chain links for the transport of Ethiopian coffee. Additionally, the state of emergency implemented by the government on 2 November has largely excluded areas where coffee is mainly produced. ETCA director general **Adugna Debela** noted that exports have not been affected:

*“There is no problem in **Djibouti** port and the **Addis Ababa-Djibouti Road** is working peacefully; so, the way we measure it is in our daily volumes.”²⁰*

In addition to producing and exporting higher volumes of coffee production, Ethiopia has benefited from an increase in the price of coffee on global commodity markets, rising by as much as 60% in some cases.²¹ The steep rise in shipping costs in **Asia** has forced buyers of coffee beans to seek alternative markets, directing sales from major competitor **Vietnam** to Ethiopia. The world's largest coffee producer, **Brazil**, has suffered lower coffee production as a result of frosts and droughts, while heavy rains have affected **Colombian** coffee production and exports.²² The increasing demand for coffee, along with higher global coffee prices, have led several cooperative and commercial coffee farmers to abandon delivery contracts that they signed when markets were weaker during the beginning of the **Covid-19** pandemic.²³

... and Covid cases continue to decline

The current political instability in Ethiopia has undermined efforts to ensure that declining levels of Covid-19 remain low. Daily new confirmed cases reached an average of 230 per day as of 13 November, significantly lower than the 394 new daily cases recorded on 16 October. As of 15 November, daily confirmed Covid-19-related deaths reached a low of 18.²⁴ Ethiopia has recorded a total of 369,244 Covid-19 cases in its population of 118 million, with a total of 6,638 Covid-19-related deaths. Conflict in several areas of the country has affected testing and treatment capacity.²⁵

¹⁶ World Health Organisation website, 10 Nov 2021

¹⁷ Scientific Reports journal, 27 Apr 2021

¹⁸ Bloomberg, 8 Nov 2021

¹⁹ Bloomberg, 8 Nov 2021

²⁰ Bloomberg, 8 Nov 2021

²¹ Bloomberg, 8 Nov 2021

²² Daily Coffee News, 5 Nov 2021

²³ Daily Coffee News, 5 Nov 2021

²⁴ Our World in Data, 15 Nov 2021

²⁵ Our World in Data, 13 Nov 2021

As of 15 November, the health ministry had administered 5.08 million doses of Covid-19 vaccine. An estimated 1.39% of the population has received both doses, while 2.3% has received a single dose.²⁶ Ethiopia has used several different vaccines ranging from the **British-Swedish** manufactured **AstraZeneca**, US-manufactured **Johnson & Johnson** single-dose **Janssen** vaccine, as well as securing vaccines from the **African Vaccine Acquisition Trust (AVAT)**.²⁷ The current insecurity in the country is likely to hamper the vaccination programme and delay the government's goal of vaccinating 10% of eligible recipients by the end of year.²⁸

Planner

17 Nov 2021 **Addis Ababa (Ethiopia)** Addis Power convention

22 Nov 2021 **Bahir Dar (Ethiopia)** International Conference on ICT for Development of Africa

Chronology

15 Nov 2021 **Asmara (Ethiopia)** *Daily Mail*. The **United States (US)** has targeted sanctions against the **Eritrean** army and ruling party which it has accused of assisting prime minister **Abiy Ahmed's** government with arms and troops in the fight against the **Tigray People's Liberation Front (TPLF)**;

12 Nov 2021 **Addis Ababa (Ethiopia)** *Air Insight*. The **International Air Transport Association (IATA)** has singled out **Ethiopia's Air Navigation Service Providers (EANSF)** for hiking their fees in order to make up for lost revenues;

12 Nov 2021 **Addis Ababa (Ethiopia)** *Nation Africa*. **Kenya**-headquartered **Safaricom** intends to invest an initial KSh67 billion (\$600m) in **Ethiopia** where it wants to set up a new telecommunications operation in partnership with other firms including its parent company, **Vodacom Group**;

11 Nov 2021 **Addis Ababa (Ethiopia)** *Ajot*. **United States**-based aircraft manufacturing company **Boeing Co.** reveals that it has reached a settlement with the family of the victims in the 2019 **Ethiopian Airlines 737 Max** jet crash by admitting the company's liability, in a case adjudged in a **Chicago (US)** courtroom;

10 Nov 2021 **Oromia (Ethiopia)** *Gazette*. **Nigeria**-based industrial conglomerate **Dangote's** \$500m cement refinery, located in **Oromia** region fewer than 90 km from **Addis Ababa**, is under increasing danger of being damaged as rebel forces close in the Oromia regional states;

10 Nov 2021 **Semera (Ethiopia)** *France24*. The **United Nations (UN)** has claimed that the Ethiopian government has detained 72 drivers working for the **World Food Programme (WFP)** in the country's northern region;

8 Nov 2021 **Addis Ababa (Ethiopia)** *Observer*. Tens of thousands of Ethiopians gather in **Addis Ababa** in support of prime minister **Abiy Ahmed's** government while simultaneously denouncing the role that the **United States** has played;

5 Nov 2021 **Addis Ababa (Ethiopia)** *CNN*. Nine anti-government groups, including the **Tigray People's Liberation Front (TPLF)** and the **Oromo Liberation Army (OLA)**, sign agreement to form anti-government alliance;

4 Nov 2021 **Addis Ababa (Ethiopia)** *Reuters*. The **International Monetary Fund (IMF)** continues to engage on a technical basis with Ethiopia but has yet to begin discussions on potential IMF financing programmes;

²⁶ Our World in Data, accessed 17 Nov 2021

²⁷ [Africa CDC](#), 6 Sep 2021

²⁸ Reuters, 16 Nov 2021

4 Nov 2021 **Juba (South Sudan)** *Sudan's Post*. **South Sudan's** President **Salva Kiir Mayardit** has expressed strong disapproval of the **Ethiopian** government's declaration of a state of emergency;

4 Nov 2021 **Addis Ababa (Ethiopia)** *News18*. **United States**-headquartered social media company **Facebook** has removed a post made by prime minister **Abiy Ahmed** urging citizens to rise up and bury rival **Tigray** forces;

3 Nov 2021 **Addis Ababa (Ethiopia)** *Bloomberg*. Ethiopia's **Eurobonds** fall to a record low after a state of emergency is declared;

2 Nov 2021 **Washington D.C. (United States)** *Daily Mail*. **United States** president **Joseph Biden** has given notice to the **US Congress** that Ethiopia's position on the **Africa Growth and Opportunity Act (AGOA)** would end on 1 January due to "*gross violations of international recognised human rights*";

2 Nov 2021 **Addis Ababa (Ethiopia)** *Nation*. The Ethiopian government has declared a state of emergency as **Tigray People's Liberation Front (TPLF)** rebels continue to gain ground in the northern region;

1 Nov 2021 **Addis Ababa (Ethiopia)** *Garowe Online*. Prime minister **Abiy Ahmed** has asked locals to take up legal means of acquiring arms to help the government defeat armed rebel forces;

30 Oct 2021 **Addis Ababa (Ethiopia)** *DPA International*. The **Tigray People's Liberation Front (TPLF)** claims via its TV station to have taken control of key towns such as **Dessie** and **Kombolcha** in the **Amhara** region despite denials by the government that this is accurate;

30 Oct 2021 **Addis Ababa (Ethiopia)** *All Africa*. Local coal supply continues to drop sharply as the civil conflict in the country continues to affect the major coal mining belt in the **Benishangul Gumuz** region;

30 Oct 2021 **Sabaki (Kenya)** *The Star*. Kenyan police have arrested 131 **Ethiopian** nationals for being in the country illegally in what is suspected of being a human trafficking conduit;

29 Oct 2021 **Cairo (Egypt)** *Ahram Online*. **Egypt's** irrigation minister, **Mohamed Abdel-Ati**, has accused **Ethiopia's** unilateral **Great Ethiopian Renaissance Dam (GERD)** actions of hurting both **Egypt** and **Sudan** whose water supplies are disrupted when Ethiopia uses the **Nile River** to fill the dam;

28 Oct 2021 **Addis Ababa (Ethiopia)** *Gulf Today*. Ethiopia's textile industry will bear the brunt of suspension by the **United States** of Ethiopia's duty-free market status under the **African Growth and Opportunity Act (AGOA)**, further damaging Ethiopia's status as a manufacturing hub on the continent;

27 Oct 2021 **Addis Ababa (Ethiopia)** *Anadolu Agency*. Ethiopia begins its second week of aerial bombardments in **Tigray** in order to counter the progress that rebel fighters are making towards the capital;

25 Oct 2021 **Addis Ababa (Ethiopia)** *Mining Weekly*. **Swedish**-headquartered **Akobo Minerals** is paving the way for investors to clear major hurdles, which will promote valuable investment partnerships including the right to hold proceeds from gold sales in overseas banks;

22 Oct 2021 **Makelle (Ethiopia)** *Al Jazeera*. The **United Nations (UN)** has suspended all flights to the regional capital of **Tigray** after government air raids forced a humanitarian flight to abort landings;

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