

AFRICA RISK CONSULTING

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The build-up to Ethiopia's June's election sees an increasing politicisation of underlying intercommunal violence coming to the forefront. Developments over the Grand Ethiopian Renaissance Dam (GERD) dispute and border tensions remain stagnant, despite increased efforts for international mediation. The focus on the Tigray crisis remains on allegations of violence against civilians, with Eritrean forces withdrawing from the region following international condemnation of alleged human rights violations. Privatisation of Ethiopia's telecommunications industry, originally slated for the beginning of April, has been pushed back, while the expansion of Ethiopia's banking sector has gathered pace. Ethiopia is now recording the highest weekly Covid-19 case rate in Africa.

Rising tensions ahead of June's election risk catalysing intercommunal violence

The build-up to **Ethiopia's** historic election on 5 June is well underway, with over 46,000 voter registration centres beginning to open on 25 March. The **National Election Board of Ethiopia (NEBE)** is set to register 50 million Ethiopian voters, and registration will remain open until 23 April.¹ Voter registration has been relatively slow and at time of writing is yet to begin in the **Somali** and **Afar** regions. Over 50% of polling stations are now operational.² The multi-ethnic **Prosperity Party (PP)**, the successor to the **Ethiopian People's Revolutionary Democratic Front (EPRDF)**, has put forward candidates in all of Ethiopia's constituencies and will almost certainly win June's election, but this could come at the cost of wider political stability in some of Ethiopia's ethnic federal states.

Despite the increasing number of **Covid-19** cases in Ethiopia (see below), there is little suggestion that another election delay is likely at this stage. The government in April 2020 cited the Covid-19 pandemic as the reason for postponing the highly anticipated August 2020 election, when Ethiopia's infection rate was comparatively lower (see *ARC Briefing Ethiopia April 2020*). However, prime minister **Abiy Ahmed** (2018-present) finds himself in an increasingly complex position, given the precarious ethnic federal political dynamic and the unresolved **Tigray** crisis. There is no indication how the electoral process will account for any potential peace process in Tigray or when elections will be held in the region.

The main pre-election electoral disruption so far has been in **Oromia**. However, no political parties have announced further boycotts following the withdrawal of two radical Oromo parties, the **Oromo Federalist Congress (OFC)** and the **Oromo Liberation Front (OLF)** (see *ARC Briefing Ethiopia March 2021*). Registration of candidates has seen disruption in other *wardas* of Oromia, including **Ethiopian Citizens for Social Justice (EZEMA)** candidates, who have been unable to register due to reported lack of cooperation from registration officials.³ Political disruption remains most likely in Oromia.

The key pre-election take-away is its catalysing effect on intercommunal violence. Intercommunal violence is likely to increase ahead of the polls, with localised tensions increasingly politicised. There

¹ ENA, 7 Apr 2021

² ENA, 14 Apr 2021

³ The Reporter Ethiopia, 20 Mar 2021

has already been a notable rise in violence in historic hotspots, such as clashes between Somali and Afar groups.⁴

Eritrean troop withdrawals in Tigray heighten risks for Ethiopian government

Since Ethiopian security services began security operations in Tigray in November, the presence of security forces from **Eritrea** has been a controversial aspect, both in international condemnation and Abiy Ahmed's continued denial of Eritrean involvement. However, on 23 March Abiy acknowledged Eritrean military cooperation following growing scrutiny and a request from the **G7** countries for a total withdrawal of Eritrean soldiers.⁵ The Ethiopian government subsequently confirmed that Eritrean security forces had commenced withdrawals from Tigray on 4 April.⁶

At a practical level, the withdrawal of Eritrean security forces is likely to leave capacity gap for Ethiopian security forces.⁷ Eritrean involvement helped to relieve pressure on Ethiopian security forces and avoid the need to use troops from other regional states, notably **Amhara**. Some areas of Tigray have already effectively been annexed by Amhara and now fall under Amhara's civil administration.⁸ Abiy will be eager to ensure that this dynamic does not expand in Tigray, as he needs the support of Amhara's political leaders both ahead of and after the general elections. There is yet to be confirmation that Eritrean troops have withdrawn. **United Kingdom**-based international NGO **Amnesty International** made fresh accusations over Eritrean security forces in Tigray following alleged attacks on 12 April.⁹

There are also significant less tangible implications. The international pressure for Eritrean withdrawal and subsequent allegations of Eritrean responsibility for the **Axum** attack against civilians in November have deflected attention on the conduct of Ethiopian security forces. Reporting by international humanitarian NGOs, notably Amnesty International and **United States (US)**-based **Human Rights Watch**, has helped Ethiopia sidestep accusations levelled against the **Ethiopian National Defense Forces (ENDF)** as well as regional state security forces. Most accusations of human rights abuses and security force misconduct in Tigray have been made against Eritrean involvement rather than federal government forces. A day after Ethiopia formally admitted to Eritrean involvement, the **Ethiopian Human Rights Commission (EHRC)** found Eritrean security forces responsible for the significant violence against civilians in Axum.¹⁰

Without the presence of Eritrean security forces, scapegoating – both direct and indirect – becomes more difficult. The federal government is likely to face repercussions for any violations – sanctions, in a worst-case scenario – something it is eager to avoid. Responsibility for any human rights abuses could also be tied to the security forces of a particular ethno-linguistic group, given the involvement of regional security forces, notably Amharas. This would lead to an increase in intercommunal tensions and violence, particularly in the context of the general election.

Despite the criticism of Eritrean involvement and the negative impact of the Tigray crisis, military cooperation has represented a high-water mark of relations between **Addis Ababa** and **Asmara**. This improvement in relations is unlikely to be undermined by troop withdrawals. As part of the closing of ties, Ethiopia and Eritrea have announced the reopening of border points to improve relations in the border areas.¹¹

⁴ The Reporter Ethiopia, 27 Mar 2021

⁵ Reuters, 2 Apr 2021

⁶ Reuters, 4 Apr 2021

⁷ The Africa Report, 5 Apr 2021

⁸ The Africa Report, 5 Apr 2021

⁹ Addis Standard, 14 Apr 2021

¹⁰ Al Jazeera, 24 Mar 2021

¹¹ The Ethiopian Herald, 27 Mar 2021

Telecoms privatisation on hold but banking sector expansion begins

Much of the interest in prime minister Abiy Ahmed's reform agenda has focused on privatisation efforts, but telecommunications privatisation has seen a delay. The deadline for bids over the privatisation of **Ethio Telecom** and the granting of two new telecommunications licences was originally slated for 5 April. However, the **Ethiopia Communications Authority (ECA)** postponed the deadline to 26 April to provide international bidders with more time.¹² A further delay is possible, especially if the government deems perceptions of instability in Ethiopia to have created a significant discount on the value of international bids (see *ARC Briefing Ethiopia March 2021*).

Despite the delay, there is no cause for concern that the three-week postponement is a deviation from Ethiopia's commitment to telecommunications privatisation. It is likely that the government will wish to conclude the bid submission process ahead of June's election. Existing telecommunications cooperation has continued unabated, with **China's** tech giant, **Huawei**, announcing the launch of 4G services in Somali region as part of its existing relationship with Ethio Telecom.¹³

The expansion and liberalisation of Ethiopia's banking sector is now coming to fruition. Four new banks have entered the final stage of licensing under the **National Bank of Ethiopia (NBE)**.¹⁴ The new prospective entrants (**Amhara Bank, Tsehay Bank, Goh Bank and Ahadu Bank**) have met most of the conditions set by NBE to receive a banking licence, and the NBE is likely to grant licences once the banks have met final capital requirements. Smaller banks, such as Goh Bank, have already met these conditions. The largest, Amhara Bank, has a paid-up capital of around \$145m and over 185,000 shareholders.¹⁵

Although the scale of new banking entrants is relatively small, the expansion of the banking sector is likely to dilute the market share of historic banks, drive competition and develop banking services available in regions across Ethiopia. The expansion of market players as well as the liberalisation of the banking system is likely to increase access to banking services. There are 19 commercial banks operational in Ethiopia with over 20 new banks at various stages in the licensing process set to take the number of banks in Ethiopia to over 40.¹⁶

The liberalisation of Ethiopia's banking system also has political implications. Banking choices in Ethiopia are currently associated with affiliations to ethno-linguistic groups, with half of Ethiopia's banks associated with a particular ethno-linguistic group.¹⁷ The new banking licence applications show that this dynamic is likely to continue, as seen in the nomenclature of Amhara Bank. Islamic banks are also now fully recognised under recent directives.¹⁸ However, expansion in the number of licensed banks is likely to dilute this affiliation in the long run – a key item in Abiy's anti-ethno-federalist agenda.

Ethiopia records highest number of weekly Covid-19 cases in Africa

There has been a marked increase in the number of Covid-19 cases recorded in Ethiopia over the past month. Most new cases have been concentrated in Addis Ababa. As of 13 April, Ethiopia had recorded a total of 232,000 cases and 3,230 Covid-19-related deaths, with recent weekly increases representing the highest on the continent.¹⁹ Ethiopia has now recorded the fifth highest number of Covid-19 cases in **Africa**, with testing facilities better than those in other parts of the continent. There is now significant pressure on Ethiopia's limited health facilities, including shortages of oxygen and

¹² New Business Ethiopia, 6 Apr 2021

¹³ New Business Ethiopia, 8 Apr 2021

¹⁴ The Reporter Ethiopia, 20 Mar 2021

¹⁵ The Reporter Ethiopia, 20 Mar 2021

¹⁶ The Reporter Ethiopia, 20 Mar 2021

¹⁷ New Business Ethiopia, 28 Feb 2021

¹⁸ New Business Ethiopia, 28 Feb 2021

¹⁹ World Health Organization, 14 Apr 2021

exhaustion of intensive care unit (ICU) beds, according to the **Ethiopian Public Health Institute (EPHI)**.²⁰

In response to increasing case numbers, Ethiopia tightened Covid-19 travel restrictions on 29 March.²¹ Ethio Telecom has also increased dissemination of information on how to safeguard against the virus.²² The changes have extended existing measures such as the ability of law enforcement to arrest people for failing to wear a mask and banning foreign travellers testing positive for Covid-19 from entering Ethiopia, where previously they were able to quarantine or self-isolate.²³ It is conceivable that security enforcement of virus containment measures will increase as cases rise in Ethiopia.

There has also been regional concern over Ethiopia's rising case numbers. **Sudan** shut its eastern border with Ethiopia on 13 April, citing an increase in cases in the **Gedaref** region that borders Ethiopia. Despite Sudan's actions, there is no significant evidence to tie the Gedaref outbreak to the influx of Ethiopian nationals fleeing the Tigray conflict (estimated at 70,000 people last week alone). It is conceivable that the increase in Covid-19 cases in Gedaref provided an excuse rather than an explicit reason for the border restrictions given the increasing humanitarian burden on Sudan to accommodate displaced Ethiopians as well as the unresolved border tensions between the two countries.

Despite the announcement of a vaccine rollout on 13 March, progress to achieve Ethiopia's objective of vaccinating 20% of its 112 million population by the end of 2021 has been slow. However, over 72,000 health workers and members of vulnerable groups in Addis Ababa have been vaccinated against Covid-19, equating to roughly 64% of health workers in the country.²⁴ Ethiopia is expected to receive 5.4 million doses of Covid-19 vaccine by May.

²⁰ Addis Standard, 6 Apr 2021

²¹ The Ministry of Health, 29 Mar 2021

²² Down To Earth, 5 Apr 2021

²³ Anadolu Agency, 29 Mar 2021

²⁴ Ethiopia News Agency, 12 Apr 2021

Planner

5 Jun 2021 **(Ethiopia)** Parliamentary elections (excluding **Tigray** region);

Chronology

14 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Borkena*. **Sudan's** prime minister, **Abdalla Hamdok**, requests a confidential meeting with the leaders of Ethiopia and **Egypt** to find a solution over the **Grand Ethiopian Renaissance Dam (GERD)**;

14 Apr 2021 **Tigray (Ethiopia)** *Addis Standard*. International NGO, **Amnesty International**, accuses security forces from **Eritrea** of killing three and injuring 19 civilians in a human rights violation in **Adwa, Tigray**, on 12 April;

13 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Ethiopia News Agency*. **Russia's** foreign minister, **Dergey Lavrov**, calls on dialogue to resolve differences over the **Grand Ethiopian Renaissance Dam (GERD)**;

12 Apr 2021 **Addis Ababa (Ethiopia)** *New Business Ethiopia*. **Chinese** technology giant, **Huawei**, signs a memorandum of understanding for developing information technology in Ethiopia;

11 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Egypt Today*. Following Ethiopia's proposal to share information on the operations of the **Grand Ethiopian Renaissance Dam (GERD)**, **Egypt** and **Sudan** reject the motion and demand a comprehensive agreement;

10 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Middle East Monitor*. The leader of **Yemen's** **Houthi** movement, **Mohammed Ali al-Houthi**, offers Houthi mediation between Ethiopia, **Egypt** and **Sudan** over the **Grand Ethiopian Renaissance Dam (GERD)**;

10 Apr 2021 **Addis Ababa (Ethiopia)** *The Reporter Ethiopia*. Following a new **Special Drawing Rights (SDR)** issuance by the **International Monetary Fund (IMF)**, Ethiopia's international reserve is set for a 10% boost under an allocation of \$650 billion globally;

10 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Borkena*. An opposition politician from the **National Movement of Amhara (NaMA)** is killed in **Wonbera, Benishangul Gumuz**, in a politically-motivated attack;

10 Apr 2021 **Benishangul Gumuz (Ethiopia)** *Ethiopia News Agency*. Ethiopia's **Ministry of Foreign Affairs** invites **Egypt** and **Sudan** to nominate dam operators for data exchange over the filling of the **Grand Ethiopian Renaissance Dam (GERD)**;

9 Apr 2021 **Afar (Ethiopia)** *Addis Standard*. The presidents of **Afar** and **Somali** states, **Awol Arba** and **Mustefa Omer**, meet to discuss tensions between the two communities following intercommunal violence, with both leaders agreeing to resolve issues;

9 Apr 2021 **Addis Ababa (Ethiopia)** *Africa Telecom Review*. Prime minister **Abiy Ahmed** announces renewed focus on the digital economy, praising telecommunications privatisation efforts as key to increasing competition within the sector;

8 Apr 2021 **SNNPRS (Ethiopia)** *Addis Standard*. Attacks by armed opposition groups leave 12 civilians dead and displace 11,000, largely from the **Koore** community, in **Amaro wareda**;

7 Apr 2021 **Tigray (Ethiopia)** *Ethiopia News Agency*. Following the release of a video allegedly showing Ethiopian security forces committing atrocities, the **Ethiopian National Defense Force (ENDF)** claims that the **Tigray People's Liberation Front (TPLF)** fabricated the video;

7 Apr 2021 **Benishangul Gumuz (Ethiopia)** *The Africa Report*. Following two days of mediation from **Democratic Republic of the Congo (DRC)** president **Félix Tshisekedi**, in **Kinshasa**

(DRC) over a settlement on the **Grand Ethiopian Renaissance Dam (GERD)**, Ethiopia, **Egypt** and **Sudan** fail to agree on a compromise;

6 Apr 2021 **Addis Ababa (Ethiopia)** *New Business Ethiopia*. **The Ethiopia Communications Authority (ECA)** extends the deadline for international bids on two new telecommunications licences from 5 April to 26 April to provide more time for bids;

5 Apr 2021 **Somali (Ethiopia)** *UNOCHA*. **The United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA)** releases a report claiming that 2.1 million people in **Somali** region require humanitarian assistance resulting from drought;

4 Apr 2021 **Tigray (Ethiopia)** *Borkena*. International music star, **The Weeknd**, raises awareness over the humanitarian impact of the **Tigray** crisis by donating \$1 million in food support to impacted families;

3 Apr 2021 **Addis Ababa (Ethiopia)** *Ethiopia News Agency*. **Ethiopian Media Council** repeats the need for the Ethiopian media to provide balanced reporting throughout the election period to avoid exacerbating tensions;

3 Apr 2021 **Tigray (Ethiopia)** *International Crisis Group*. **Belgium**-headquartered NGO **International Crisis Group** warns that the withdrawal of security forces from **Eritrea** brings its own complications to the threat environment, with a decisive military victory deemed remote and a cessation in hostilities needed;

2 Apr 2021 **Tigray (Ethiopia)** *Reuters*. The **G7** countries release a statement calling for an independent investigation into alleged human rights violations in **Tigray**;

2 Apr 2021 **Addis Ababa (Ethiopia)** *KBC*. The **UN High Commission for Refugees (UNHCR)** replaces its deputy head for Ethiopia following allegations over impartiality by **Mathijs Le Rutte** over the **Tigray** crisis;

1 Apr 2021 **Amhara (Ethiopia)** *Addis Standard*. **Amhara** region president **Agegnehu Teshager** demands that the federal government find a solution to escalating intercommunal violence targeting ethnic Amharas in **Oromia** and increased tensions between the two regional states;

31 Mar 2021 **Oromia (Ethiopia)** *Borkena*. **Oromo** armed opposition groups in **Wollega** region have reportedly killed at least 28 ethnic **Amharans**;

29 Mar 2021 **Oromia (Ethiopia)** *Addis Standard*. Police forces re-arrest two key figures from the **Oromo Liberation Front (OLF)**, **Dawit Adbeta** and **Lammi Begna**, after the **Oromia Supreme Court** release them, sparking tensions between facets of government in Oromia state;

27 Mar 2021 **Somali (Ethiopia)** *The Reporter Ethiopia*. The **National Election Board of Ethiopia (NEBE)** criticises the Somali regional government's threat to boycott June's election if the NEBE allows polling to take place in disputed **Somali-Afar** areas, deeming voting a risk to peace;

26 Mar 2021 **Tigray (Ethiopia)** *Addis Standard*. Prime minister **Abiy Ahmed** announces the planned withdrawal of security forces from **Eritrea** in **Tigray**;

25 Mar 2021 **Tigray (Ethiopia)** *Médecins Sans Frontières*. International humanitarian NGO **Médecins Sans Frontières (MSF)** release a statement claiming that staff members witnessed members of the Ethiopian security services commit atrocities against civilians on 23 March on the **Mekele-Adigrat** road, allegedly executing four men;

24 Mar 2021 **Tigray (Ethiopia)** *Al Jazeera*. The **Ethiopian Human Rights Commission (EHRC)** releases findings that security forces from **Eritrea** were allegedly responsible for violence against civilians in **Axum** in November 2020;

23 Mar 2021 **Benishangul Gumuz (Ethiopia)** *Middle East Eye*. **Sudan** accepts a **United Arab Emirates (UAE)** offer for mediation over the Ethiopia-Sudan border dispute;

23 Mar 2021 **Tigray (Ethiopia)** *Defense Post*. Prime minister **Abiy Ahmed** publicly confirms that security forces from **Eritrea** have been deployed in **Tigray** following allegations of human rights abuses – a major U-turn from persistent Ethiopian government denials of Eritrean military involvement;

20 Mar 2021 **Addis Ababa (Ethiopia)** *The Reporter Ethiopia*. Four new banks enter the final licensing stage under the requirements of the **National Bank of Ethiopia (NBE)** (central bank), having met all the other requirements outlined by the central bank;

18 Mar 2021 **Tigray (Ethiopia)** *VOA*. **United States (US)** president **Joseph Biden** sends Senator **Chris Coons** as an envoy to **Tigray** to consult with the **African Union (AU)** over the Tigray crisis;

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