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Ethiopia is one of six countries that did not submit a vote in the United Nations General Assembly resolution to condemn Russia's invasion of Ukraine, as rising food protectionism poses a risk for food prices in the country. The ruling Prosperity Party elects Ethiopia's prime minister, Abiy Ahmed (2018-present), as its president at its first congress, and Adem Farah and Demeke Mekonnen as the party's vice presidents. The Prosperity Party purges 2,574 party officials after a wide-ranging review of the conduct of 108,258 officials. Peace continues to elude the country as the Ethiopia Human Rights Commission accuses government forces of executions in Benishangul-Gumuz in an alleged reprisal for an ambush on military forces by an unknown armed group. Ethiopia faces a tightening political and democratic space, with more individuals held in detention or under house arrest without charges. The Grand Ethiopian Renaissance Dam begins operations on the Nile, ratcheting up tensions with downstream countries Egypt and Sudan. President Abiy reaffirms his party's commitment to its ambitious reform agenda, in a speech to parliament, as the mining and manufacturing sectors benefit from increased investment. New cases of Covid-19 remain negligible, despite the ending of the national state of emergency.

Ethiopia maintains neutral stance on Russia-Ukraine conflict

Ethiopia was one of six **African** countries that did not submit a vote on the **United Nations General Assembly's** resolution on 2 March to condemn **Russia's** invasion of **Ukraine** on 24 February. The other countries include **Burkina Faso, Cameroon, Guinea, Lesotho** and **Morocco**.¹ Ethiopia has strong diplomatic and cultural ties with Russia, dating back to the leadership of former prime minister **Mengistu Haile Mariam** (1977-1991).² However, prime minister **Abiy Ahmed** (2018-present) called for restraint and stronger diplomatic efforts from the parties involved in the conflict, to end the crisis, expressing his hope for peace to prevail:

"It is with this recent recollection of war still fresh for many Ethiopians that my government calls upon all parties involved to exercise maximum caution in engagement and refrain from further exacerbating a sensitive situation."³

Ethiopia will not be immune to the economic impact of supply chain disruptions, particularly to food grain commodities. Inflationary pressures have already been exacerbated in the country, against the backdrop of the **Tigray** conflict, prevailing drought conditions in the **Horn of Africa** and the economic impact of the global **Covid-19** pandemic driving rising food prices and lower consumer purchasing power. The government has focused on increasing the number of grains which are produced locally, to lessen the country's reliance on imports.⁴ However, the continuing drought in the region will weigh on domestic production for the period, with imports also set to be impacted on the back of a growing global trend towards food protectionism driven by the Russia-Ukraine conflict. The government of Ukraine on 9 March banned the export of wheat, oats and other grain staples, while **Hungary** implemented a similar export ban on 4 March.⁵ Russia has also implemented an export ban, which is set to run throughout 2022 and is expected to drive a spike in prices for grain commodities,

¹ Quartz Africa, 7 Mar 2022

² Voice of America, 3 Mar 2022§

³ The East African, 4 Mar 2022

⁴ New Business Ethiopia, 22 Feb 2022

⁵ Reuters, 9 Mar 2022

exacerbating inflationary pressures in the country. Inflation for February stood at 33.6%, easing only slightly from 34.5% in January.⁶

Abiy Ahmed wins resounding re-election from the Prosperity Party...

The ruling **Prosperity Party (PP)** has elected prime minister Abiy Ahmed as its president at its first congress held since the party's launch in December 2019. Abiy's confirmation as the party's leader reaffirms his control over the PP, which was formed from a merger of members of Ethiopia's former ruling coalition, the **Ethiopian People's Revolutionary Democratic Front (EPRDF)**. The PP won the country's general election in July 2021 and a majority in the **Ethiopian House of People's Representatives** in parliament, also electing Abiy as the country's prime minister.⁷

The PP's first congress was held under the theme "*From Challenge to Elevation*" and was also attended by the representatives of foreign political parties such as **Uganda's** ruling **National Resistance Movement** and **South Africa's** ruling party, the **African National Congress**.⁸ The party elected deputy prime minister **Adem Farah** and PP office chief **Demeke Mekonnen** as its vice presidents. On accepting his appointment, Abiy appealed to his party for its support, hard work and commitment to "*fulfill the historic opportunity to sustain Ethiopia*".⁹

Following the party congress, the PP announced on 16 March that it had taken varying levels of disciplinary action against 10,658 party officials, dismissing 2,574 of them. This followed a review of 108,258 officials under criteria that included professionalism, work ethic and performance, according to Adem. Purging of some party officials could enable Abiy to further consolidate his influence and support within the party, leaving him freer to pursue his ambitious overarching political and economic agenda. However, despite greater cohesion within the PP and lower risk of infighting, conflict across the country continues to weigh on the outlook for Abiy's reform agenda. Peace was a prominent topic at the PP congress, with Abiy stating:

*"Peace is more than anything for Ethiopia because we just came out of war. Forces who think they are powerful need to work towards peace.... All other options are not beneficial for Ethiopia and Ethiopians."*¹⁰

... as domestic and regional tensions ramp up

The **Ethiopia Human Rights Commission (EHRC)** has highlighted Ethiopia's need for peace amid the conflict in the Tigray region and its spill over into other parts of Ethiopia. On 13 March, the EHRC accused government security forces of burning a man alive, depicted in a video posted to social media.¹¹ The incident took place on 3 March, when ten people, nine of them Tigrayan, were shot dead while an 11th person was burnt alive, in **Metekel in Benishangul-Gumuz**, the northwestern region bordering **Sudan** and **South Sudan**.¹² The incident was reportedly in response to an incident that took place on 2 March, when an armed group attacked a civilian convoy being escorted by the military in Benishangul-Gumuz. This resulted in the deaths of 20 military force members and three civilians. Government forces conducted searches in the region the next day, intercepting the bus carrying mostly Tigrayan individuals who had just been released from detention, and accused the group of assisting the militants who had ambushed its convoy the previous day. The Ethiopian government has condemned the violence and vowed to prosecute the perpetrators:

*"A horrific and inhumane act was recently committed... Regardless of their origin or identity, the government will take legal action against those responsible for this gross and inhumane act."*¹³

⁶ Down Jones Newswires, 11 Mar 2022

⁷ Xinhua, 14 Mar 2022

⁸ Africa News, 12 Mar 2022

⁹ Ethiopian Monitor, 13 Mar 2022

¹⁰ Africa News, 12 Mar 2022

¹¹ DW News, 14 Mar 2022

¹² DW News, 14 Mar 2022

¹³ The Guardian, 15 Mar 2022

Such incidents of ethnic violence have ramped up in the past year, resulting in the deaths of hundreds of people, in addition to the conflict between Ethiopian government forces and the rebel **Tigray People's Liberation Front (TPLF)** which has taken place for 16 months.¹⁴ In a report released on 10 March, the EHRC estimated that at least 750 people were killed in the **Amhara** region in the second half of 2021. The commission also detailed incidents of abuse including torture, rape and abductions and the destruction of over 2,400 health facilities and 1,000 schools.¹⁵ Although there has been a marked easing of tensions between government forces and the TPLF since the latter's retreat in December, the conflict continues, with no clear roadmap for peace negotiations by either side (see *ARC Briefing Ethiopia Jan 2022*).

Against this backdrop of conflict, Ethiopia's political and democratic space has also narrowed significantly as the government has ramped up its prosecution of opposition party members and even journalists. On 4 March, the **National Electoral Board (NEB)** of Ethiopia released the findings of its inquiry into the status of the **Oromo Liberation Front (OLF)** leader **Dawud Ibsa**. The inquiry found that Dawud has effectively been under house arrest since April 2021, citing media reports that government security forces guard his residence daily. Dawud, who had been exiled in **Eritrea**, only returned to Ethiopia after the two countries signed a peace accord in August 2018. The OLF has long alleged that Dawud's freedoms were first restricted in June 2020. He is allowed only "intermittent" visits from his family and security forces frequently raid his home.¹⁶

The ruling Prosperity Party has accused the OLF of continuing links to the **Oromo Liberation Army**, an armed group that split from the OLF in April 2018 and which has since carried out a spate of attacks in the **Oromia** region.¹⁷ The NEB also announced it is expanding its inquiry to Benishangul Gumuz, **South Ethiopia**, **South West Ethiopia**, **Sidama**, **Oromia** and **Addis Ababa** to look into the status of other politicians.¹⁸

The **Oromo Legacy Leadership Advocacy Association (OLLAA)** has also lamented the treatment of OLF public relations head **Bate Urgessa**, who was released from detention on 11 March to enable him to receive medical attention.¹⁹ The OLLAA said on 14 March that Bate is critically ill with ailments including Hepatitis B and that officials prevented him from seeing his doctors and lawyers.²⁰ Bate had been incarcerated for almost a year, without charges laid against him.²¹

Associated Press (AP) executive editor **Julie Pace** on 11 March marked 100 days of detention for AP freelance journalist **Amir Aman Kiyaro**, whom Ethiopian officials detained under the country's state of emergency powers on 28 November and have held without charge to date. The journalist went before a judge on 7 March where he was denied bail to enable law enforcement to continue its investigations, with another court date set for 18 March. Pace claimed that the detention of journalists and the police's abuse of the judicial system to keep them behind bars, can only be seen as retaliation for their journalism work,

"and a message to Ethiopia's broader media community that authorities remain intolerant of independent journalism".²²

At the same time, Ethiopia is looking to play a more prominent role in affairs across the African region. On 17 February, **Algeria**, Ethiopia, **Nigeria** and **South Africa** announced their establishment of a **Group of Four Nations (G4)** partnership. The group is concerned with establishing solutions to tackle crises and conflicts facing the continent.²³ However, closer to home, Ethiopia's relationship

¹⁴ Al Jazeera, 14 Mar 2022

¹⁵ Al Jazeera, 11 Mar 2022

¹⁶ Addis Standard, 4 Mar

¹⁷ SABC, 10 Mar 2022

¹⁸ Africa News, 3 Mar 2022

¹⁹ Oromo Legacy Leadership & Advocacy Association, 14 Mar 2022

²⁰ Oromo Legacy Leadership & Advocacy Association, 14 Mar 2022

²¹ News Beezer, 15 Mar 2022

²² Associated Press, 11 Mar 2022

²³ Middle East Monitor, 24 Feb 2022

with its neighbours, **Egypt** and Sudan in particular, remains strained over its pursuit of the **Grand Ethiopian Renaissance Dam (GERD)** electrification project on the **Nile River**. Tension has deepened after Ethiopia began to generate power from the dam on 20 February.²⁴ Both Egypt and Sudan have expressed their opposition to the GERD, which they view as a threat to their water supply as downstream countries. Thus far, the countries have failed to resolve on an agreement to govern the dam's operations (see *ARC Briefing Ethiopia Feb 2022*).

Abiy reaffirms reform agenda

Prime minister Abiy Ahmed has reaffirmed his party's commitment to implementing a swathe of reforms to open up sectors that have historically been firmly under state control, closed off to private investment and competition. Abiy addressed parliament on 22 February, during its third urgent session of the House of Peoples' Representatives, announcing that the government was engaging itself in reforming policies to encourage greater competition in the banking and financial services sector, to attract foreign financial institutions and boost the inflow of hard currency into the country. Abiy noted that FDI inflows stood at \$1.63 billion for the first six months of the 2021-2022 budget year (starting 8 July 2021).²⁵ The prime minister encouraged local institutions to modernise their systems to prepare for stronger competition from foreign players.²⁶

As a priority, the state also aims to boost the minerals sector's contribution to gross domestic product (GDP). According to the ministry of mines and petroleum, the sector contributed revenues of \$682m for the fiscal year 2020-2021. On 3 March, **Norway**-based gold exploration and mining company **Akobo Minerals** held an inauguration ceremony for its boutique mining operation in **Segele**, in south-western Ethiopia. The firm appointed Norwegian investment bank **SpareBank 1 Markets AS** to assist with project financing, and plans to begin construction before the end of 2022. It also announced that it has found visible gold at 282 metres vertical depth.²⁷ Mines minister **Takele Uma** said he expects that Ethiopia will be able to produce 2,000 kilograms of gold annually, with Akobo contributing \$100m to the country through annual exports.²⁸

Meanwhile, **United Kingdom**-listed gold and copper mining company **Kefi Gold** announced on 3 March that it will recommence operations at the **Tulu Kapi Gold Project**, encouraged by the easing of conflict and improved security situation in the Tigray region. The firm has also invested in refurbishing accommodation for mine workers as well as road infrastructure and a dam, storage facilities and a processing plant. The mine has an estimated annual capacity of 100,000 tonnes of gold.²⁹

However, poor enforcement of laws around artisanal mining will remain a safety and commercial impediment for the sector's growth. On 22 February, at least seven people died when an illegal gold mine collapsed in Oromia, with 11 others in critical condition. Illegal mining has been a long-running challenge for the Ethiopian government, which reported in 2001 that the country lost around \$25m in revenues per year.³⁰

Abiy also visited **Adama Steel Factory** on 7 March, to assess the completion of its expansion project. The factory expects to increase its manpower from 900 to 3,000 people when it begins operations, an expansion that will enable it to produce 1.2 million tonnes of steel per annum. Following the expansion, the factory will also produce iron bars, wires, and other steel products.³¹ Abiy reiterated his administration's support for building up the country's manufacturing sector for export (see *ARC Briefing Ethiopia Jan 2022*).

²⁴ New Business Ethiopia, 20 Feb 2022

²⁵ New Business Ethiopia, 22 Feb 2022

²⁶ New Business Ethiopia, 22 Feb 2022

²⁷ Addis Standard, 11 Mar 2022

²⁸ New Business Ethiopia, 4 Mar 2022

²⁹ Mining Magazine, 4 Mar 2022

³⁰ Mining Weekly, 25 Jun 2001

³¹ 2merkato, 8 Mar 2022

Covid cases remain low despite eased restrictions

New cases of Covid-19 are negligible (compared to population size) in Ethiopia. The average daily number of confirmed new Covid-19 cases as of 16 March was 38, compared to an average daily number of 169 a month earlier. The government imposed a six-month state of emergency on 2 November, including restrictions on movement, and hefty prison sentences for those violating the restrictions, and this may have helped to curb the spread of the virus.³² However, the number of new infections may see a near-term spike following the government's removal of the state of emergency in February as citizens return to unrestricted movement. Ethiopia has recorded 469,239 Covid-19 infections in its population of 118 million as of 16 March, with 7,244 Covid-19-related deaths since the **World Health Organization (WHO)** declared the pandemic on 11 March 2020.³³

As part of the Ethiopian government's public health response to the Covid-19 pandemic, the ministry of health has fully vaccinated 23.9 million people, around 20.2% of the population.³⁴ The government had set a target of 20% by end-2021.³⁵

Visitors to Ethiopia are required to present a negative PCR test, no older than 120 hours (5 days) before arrival in Ethiopia. This does not apply to those who are transiting through the country.²⁵ Travelers who present a certificate of recovery from Covid-19, no older than 90 days, diplomats, or those who can provide evidence of being fully vaccinated against Covid-19, tourists or those attending a conference in the country, are exempt from the requirement to isolate at home for seven days on arrival.²⁶

³² Reuters, 7 Nov 2021

³³ Our World in Data, 16 Mar 2022

³⁴ Relief Web, 13 Mar 2022

³⁵ World Health Organisation, 13 Mar 2021

Planner

- 26 Mar 2022 **Addis Ababa (Ethiopia)** *Ethiopian Economics Association*. Tenth annual conference on **Southern Ethiopia** economic development;
- 9-10 Apr 2022 **Gondar (Ethiopia)** *World Research Society*. World Congress on Information Technology and Computer Science (WCITSC);
- 15 Jun 2022 **Addis Ababa (Ethiopia)** *Ethiopian Economics Association*. First annual conference on **Oromia Region** economic development;

Chronology

- 17 Mar 2022 **Addis Ababa (Ethiopia)** *All Africa*. The ruling **Prosperity Party** has taken varying levels of disciplinary action against 10,658 party officials, dismissing 2,574 of them, following a review of 108,258 officials under criteria that included professionalism, work ethic and performance;
- 17 Mar 2022 **Addis Ababa (Ethiopia)** *Addis Standard*. **Addis Ababa Police Commission's** public relations director **Fasika Fenta** announces that the force has relieved 146 police officers and leaders of their duties owing to misconduct over a six-month period.
- 16 Mar 2022 **Tigray (Ethiopia)** *WHO*. **World Health Organization** warns of the increasingly dire and "catastrophic" humanitarian crisis in **Ethiopia's Tigray** region;
- 14 Mar 2022 **Benishangul-Gumuz (Ethiopia)** *Al Jazeera*. The **Ethiopian Human Rights Commission (EHRC)** alleges that government security forces burned a man alive and shot dead ten others in response to an attack on a civilian convoy led by military personnel a day earlier;
- 15 Mar 2022 **Addis Ababa (Ethiopia)** *Xinhua*. Ethiopia's deputy prime minister and foreign minister, **Demeke Mekonnen**, receives **China's** newly appointed special envoy to the **Horn of Africa, Xue Bing**.
- 15 Mar 2022 **Addis Ababa (Ethiopia)** *Xinhua*. The government of Ethiopia concludes a \$29.2m agreement with **China**-headquartered bus maker **Yutong** and technology firm **Hisense** for the modernisation of the country's transport industry;
- 13 Mar 2022 **Addis Ababa (Ethiopia)** *Ethiopian Monitor*. The **Prosperity Party** has elected prime minister **Abiy Ahmed** as its president at its first-ever **Congress** and **Adem Farah** and **Demeke Mekonnen** as the party's vice presidents;
- 9 Mar 2022 **Rome (Italy)** *New Business Ethiopia*. Ethiopia's ministry of foreign affairs says Ethiopia's ambassador to **Italy, Demitu Hambisa** met with **Slovenia's** ambassador to Italy, **Tomaz Kun Stelj**, who expressed his country's interest in investment in Ethiopia, particularly in the areas of investment, trade, tourism, beekeeping, and technology;
- 2 Mar 2022 **New York (United States)** *Quartz Africa*. Ethiopia is one of six **African** countries that does not submit a vote on the **United Nations General Assembly's** resolution to condemn **Russia's** invasion of **Ukraine** on 24 February, along with **Burkina Faso, Cameroon, Guinea, Lesotho** and **Morocco**;
- 1 Mar 2022 **Nairobi (Kenya)** *New Business Ethiopia*. **Ethiopia's** ambassador to Kenya, **Meles Alem**, reaffirms the country's commitment to its role in the construction of the **Lamu Port-South Sudan-Ethiopia (LAPSSET) Corridor Project** during the **7th Program for Infrastructure Development for Africa (PIDA) Week**;
- 1 Mar 2022 **Addis Ababa (Ethiopia)** *Addis Standard*. The Ethiopian parliament dissolves the **Ethiopian Reconciliation Commission** three years after its formation;

18 Feb 2022 **Brussels (Belgium)** *Middle East Monitor*. **Algeria, Ethiopia, Nigeria and South African** officials announce the formation of **Group of Four Nations**, a partnership to tackle crises and conflicts facing the **African** region;

22 Feb 2022 **Oromia (Ethiopia)** *Africa news*. Officials report that at least seven people have been killed following the collapse of an illegal mine in Oromia, with 11 others in critical condition.

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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