

AFRICA RISK CONSULTING

Ethiopia Monthly Briefing April 2022

Ethiopia Summary 20 April 2022

The Tigray People's Liberation Front (TPLF) accepts the federal government's offer of an "indefinite humanitarian truce" and calls on it to allow the passage of humanitarian aid to the Tigray region. However, internal divisions within the federal government and its allies place the truce at risk. The Ethiopian government fails to block the United Nations from funding the International Commission of Human Rights Experts on Ethiopia, created in December to investigate abuses that have occurred in the country during the conflict. Security challenges continue in the Benishangul Gumuz region bordering South Sudan and Sudan as Sudan claims ownership of the disputed Fashaga district. The Ethiopian government strengthens its military relationship with Turkey as it faces mounting domestic and regional security concerns. In a commitment to continuing economic reforms, the Ethiopian government has established a committee tasked with the liberalisation process for the country's banking sector. The industry ministry reports that Ethiopia received \$390m in export revenues from its manufacturing industry from July 2021 to March 2022. Inflation remains a concern amid severe drought conditions and the impact of conflict in the Tigray region and Ukraine. Numbers of new Covid-19 infections continue to trend downwards.

Truce agreement aims to allow humanitarian intervention ...

The federal government of **Ethiopia** has called for an "indefinite humanitarian truce" in the conflict with the **Tigray People's Liberation Front (TPLF)**. The government stated on 24 March that the truce is necessary to allow for the delivery of much-needed humanitarian assistance in the **Tigray** region.¹ It also called on the TPLF to withdraw from **Amhara** and **Afar**,² expressing hope that the truce would enable humanitarian aid to reach Tigray and "pave the way for the resolution of the conflict" in the region.³

The decision comes against the backdrop of growing domestic and international pressure on the government and the TPLF as the **Horn of Africa** region faces a severe drought and food crisis necessitating the inflow of international aid. The **World Food Programme (WFP)** revealed on 19 April that it requires \$473m to provide humanitarian assistance in the drought-stricken countries of Ethiopia, **Kenya** and **Somalia** for the next six months. The organisation estimates that 14 million people in these nations face hunger due to drought conditions, and this could rise to 22 million during 2022 if weather conditions do not improve. The WFP estimates that it requires \$239m for its Ethiopian mission alone:

"In Ethiopia crops have failed, over a million livestock have died and an estimated 7.2 million people wake up hungry every day... as the country grapples with the most severe drought since 1981."⁴

The truce is a necessary step for the TPLF, which has struggled with vital aid such as food and medical supplies being unable to reach its strongholds in the Tigray region since December, in what the **United Nations (UN)** has described as a "de facto" blockade.⁵ The UN estimates that around 9 million

¹ Al Jazeera, 24 Mar 2022

² News24, 26 Mar 2022

³ France 24, 24 Mar 2022

⁴ World Food Programme, 19 Apr 2022

⁵ Al Jazeera, 24 Mar 2022

people in the Tigray, Amhara and Afar regions are in need of critical food assistance owing to the conflict.⁶ According to a UN survey, 83% of the population of Tigray (4.6 million people) were found to be “*food insecure*”, with the highest levels of food insecurity reported in the north-western, eastern and central zones of the country.⁷ The TPLF responded on 25 March to the federal government by agreeing to a “*cessation of hostilities effective immediately*”.

Likely encouraged by the truce, the **World Bank** on 16 April pledged \$300m aimed at rebuilding local communities that have been destroyed by the conflict. The funds will go towards the reconstruction of vital facilities, including health centres, but also aim to help rehabilitate victims of sexual violation and other forms of violence during the conflict. Both sides face accusations of committing gross atrocities during the war, including torture, rape and abductions. On 31 March, the Ethiopian government failed to prevent the UN from funding the **International Commission of Human Rights Experts on Ethiopia**, created in December to investigate abuses that occurred in the country during the conflict.⁸

It remains uncertain how readily and effectively the truce will translate into a cessation of aggression on the ground and enable the flow of adequate humanitarian aid into Tigray. However, in a positive development, the UN confirmed on 4 April that its trucks were allowed to enter the Tigrayan-controlled town of **Erepti** (Afar) and would be headed to **Mekelle** in Tigray.⁹

Should the ceasefire hold, it could pave the way for eventual peace talks between the government and the TPLF, however, this remains a long-term prospect. The government is also looking to its national dialogue process to ease tensions across the country. Owing to their designation as a terrorist organisation, the TPLF and its ally, the **Oromo Liberation Army**, have been excluded from the process.¹⁰

There are also risks of internal divisions regarding prime minister **Abiy Ahmed**'s (2018-present) easing of tensions with the TPLF, particularly among hardliners who would prefer to see him maintain a strong stance against the rebel group. Authorities in Amhara, for instance, continue to demand the full withdrawal of the Tigrayans from their region. The **Afar People's Party** stated on 26 March that it was “*sceptical*” of both the federal government and the TPLF being “*trustworthy enough*”, stating that the interests of the Afar people were being ignored:

“The TPLF aggressors must ceasefire and must withdraw from Afar immediately and unconditionally. If they have real security concerns, they can deal with the federal government about it.”¹¹

... as security concerns and tensions rise in border towns

Tensions have also ratcheted up in Ethiopia's **Benishangul Gumuz** region, which borders **South Sudan** and **Sudan** and is the location of the **Grand Ethiopian Renaissance Dam** project. The region hosts five ethnic groups and has seen growing tension in recent years amid a higher number of ethnically motivated attacks, driving strong government intervention to secure the region.

The federal government announced on 17 April that 240 gunmen operating in the region had surrendered to its security forces.¹² Ethiopian security forces have been accused of committing atrocities against civilians in the region; the **Ethiopia Human Rights Commission** on 13 March accused government security forces of burning an individual alive, allegedly in response to an earlier incident in which an armed group attacked a civilian convoy being escorted by the military in Benishangul-Gumuz (see *ARC Briefing Ethiopia Mar 2022*).

⁶ Euro News, 2 Apr 2022

⁷ World Food Programme, 21 Mar 2022

⁸ France 24, 1 Apr 2022

⁹ Euro News, 2 Apr 2022

¹⁰ The New Humanitarian, 18 Apr 2022

¹¹ Afar People's Party, 26 Mar 2022

¹² Borkena, 18 Apr 2022

Meanwhile, Sudan's acting foreign minister, **Ali Al-Sadiq**, claimed on 17 April that the disputed **Fashaga** district, which borders Ethiopia, was "*Sudanese land*".¹³ Both Sudan and Ethiopia claim the land; an agreement reached in 2008 gives Sudan administrative control of the land, which is cultivated by Ethiopian farmers. However, since late 2020, tensions between Ethiopian and Sudanese inhabitants around the border have heightened, culminating in Sudanese forces taking over the **Khor Yabis** area, which had been under Ethiopian use for 25 years, in December 2020.¹⁴

Ethiopia's relations with Sudan and **Egypt** are already strained following failure to make progress in negotiations over Ethiopia's operation and management of the GERD, which began generating power from the project on 20 February (*see ARC Briefing Ethiopia Feb 2022*).

... and Ethiopia bolsters its military expertise

The Ethiopian government is looking to strengthen its military relationship with **Turkey** as it faces mounting domestic and regional security concerns. Ethiopia's deputy prime minister and foreign affairs minister, **Demeke Mekonnen**, led a delegation on 27 March participating in the two-day **Doha Forum**, hosted in **Qatar**. The forum, titled "*Transforming for a New Era*", focused on four areas: geopolitical alliances and international relations; financial system and economic development; defence, cyber and food security; and climate change and sustainability.¹⁵ A range of global policymakers and leaders attended the forum, with speakers including Qatari emir **Sheikh Tamim Bin Hamad Al Thani** and foreign affairs minister **Sheikh Mohammed bin Abdulrahman Al-Thani**, **Saudi Arabia** foreign affairs minister **Prince Faisal bin Farhan Al Saud** and **United States (US)** special presidential envoy for climate **John Forbes Kerry**.¹⁶

Demeke met with Turkey's foreign minister, **H.E. Mevlüt Çavuşoğlu**, and discussed the strengthening of relations between Ethiopia and Turkey. The Turkish parliament has reportedly already begun the process of effecting a military cooperation agreement signed between the two countries in August when Turkey's president, **Recep Tayyip Erdoğan** (2014-present), discussed bilateral relations with prime minister Abiy Ahmed.¹⁷ The agreement will enable Ethiopian forces to receive training from the Turkish military and allow the two military forces to hold joint military exercises. On 21 March, the Ethiopian council of ministers also approved a draft bill on military cooperation between the two countries.¹⁸

The Turkish government has also pledged to provide the Ethiopian government with financial aid and cooperation to enable it to acquire weapons from Turkey.¹⁹ **Reuters** reported on 22 December that sources familiar with the matter quoted mounting evidence that the Ethiopian government had used armed drones sold by Turkey to fight Tigrayan rebels, and that US authorities have taken issue with it.

Government focuses on boosting industry amid concern over rising inflation

Domestic and regional conflict is likely to continue to exert inflationary pressure on Ethiopia, exacerbated by the impact of the ongoing drought on agricultural production and the **Russia-Ukraine** conflict, which has had a significant impact on the global market. According to Ethiopia's **Central Statistics Agency**, the inflation rate for March rose to 34.7%, up from 33.6% in February.²⁰ Cereals such as rice, teff, wheat, maize and sorghum registered the highest increase, while cooking oil and butter showed the most rapid increase in price. Non-food inflation rose by 23.5% year-on-year, driven by the continued rise in the prices for goods such as alcohol and tobacco, clothing and footwear and building materials.

¹³ CGTN Africa, 18 Apr 2022

¹⁴ Relief Web, 13 Apr 2022

¹⁵ Borkena, 27 Mar 2022

¹⁶ Doha Forum, accessed 20 Apr 2022

¹⁷ Daily Sabah, 1 Aug 2021

¹⁸ All Africa, 21 Mar 2022

¹⁹ Nordic Monitor, 25 Mar 2022

²⁰ Xinhua, 19 Apr 2022

The government is focused on boosting the growth of its manufacturing sector, which has been tapped as a key growth driver over the medium term. Industry minister **Melaku Alebel** reported on 18 April that the country received \$390m in export revenues from the manufacturing industry, in the first nine months of the 2021/22 fiscal year starting in July. This marked 87% of the state's target for the period.²¹ The government has also pursued the development of industrial parks to boost production in the manufacturing sector. **Debre-Birhan** industrial park general manager **Yeshitila Mulugeta** noted on 30 March that Ethiopia earned \$24m in revenue from the **Chinese**-built industrial park in the first six months of the 2021/2022 fiscal year. The revenues were driven by agricultural and textile-based products manufactured in the park.²²

However, the industry minister has noted that various operational challenges have impacted the manufacturing sector, causing 396 manufacturing plants across five regions of the country to halt operations. These include a lack of adequate infrastructure, labour shortages and financial challenges.²³ On 25 March, state-owned media company **Fana Broadcasting Corporate** reported that 21 water bottling factories in the country had halted their operations owing to the rise in raw material costs as well as the excise tax burden on bottled water.²⁴

In a welcome development for consumers, Ethiopia's telecommunications sector is set to receive a boost when **Kenyan** telecommunications service provider **Safaricom** launches in April. As of the end of 2021, Ethiopia's mobile penetration rate had yet to surpass 50% of the population, as the sector has long been hindered by the presence of state-owned monopoly **Ethio Telecom**. Safaricom's entry will also present opportunities for the government's revenue diversification outside of the telecoms sector. On 13 March, Safaricom entered into a five-year agreement with state-owned power utility **Ethiopian Electric Power (EEP)** to share fibre infrastructure with the power provider.²⁵ The first phase of the agreement allows Safaricom to access 4,097 km of optical fibre, and a further 2,904 km in the second phase. EEP expects to earn at least 140m Birr per year (\$2.7m) during the first phase alone.²⁶

The government has also made progress in the liberalisation process for the banking sector. On 17 March, it established a committee led by the justice ministry's legal and justice service division state minister, **Alemante Agidew**, which is expected to create a new **Financial Service Code** to govern the process for foreign banks to enter Ethiopia's financial services industry.²⁷ This development affirms the government's commitment to the country's liberalisation agenda which is receiving renewed focus as the Tigray conflict cools (*see ARC Briefing Ethiopia Mar 2022*).

Covid cases remain low despite eased restrictions

The number of new **Covid-19** infections appears to have continued a downward trend despite Ethiopians' return to unrestricted movement following the government's removal of the state of emergency in February. 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.²⁸ Ethiopia has recorded 470,035 Covid-19 infections in its population of 118 million as of 18 April, with 7,509 Covid-19-related deaths since the **World Health Organization (WHO)** declared the pandemic on 11 March 2020.²⁹ The average daily number of confirmed new Covid-19 cases as of 19 April was 17, compared to an average daily number of 22 a month earlier.

²¹ 2merkato, 25 Mar 2022

²² The Star, 30 Mar 2022

²³ Africa Briefing, 18 Apr 2022

²⁴ 2merkato, 25 Mar 2022

²⁵ Business Insider, 14 Mar 2022

²⁶ The Standard, 13 Mar 2022

²⁷ Business Daily, 23 Mar 2022

²⁸ Reuters, 7 Nov 2021

²⁹ Our World in Data, 20 Mar 2022

As part of the Ethiopian government's public health response to the Covid-19 pandemic, the ministry of health has administered at least 23.4 million doses of the vaccine.³⁰ As of 10 April, 18.5% of the population had received full vaccination against Covid-19. The government aimed to fully vaccinate 20% of its population by end-March.³¹

Visitors to Ethiopia who are not fully vaccinated 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 Passengers who have been fully vaccinated against Covid-19 for over 14 days and can present evidence of this are exempted from the requirement to have a negative PCR test. Accepted vaccinations are a single dose of **Johnson and Johnson**, or two doses of **Astra-Zeneca**, **Sinopharm**, **Sinovac**, **Moderna** or **Pfizer**.³² 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

Planner

9-10 Apr 2022 **Gondar (Ethiopia) World Research Society** World Congress on Information Technology and Computer Science (**WCITSC**);

12 -16 May 2022 **Addis Ababa (Ethiopia)** International Medical Trade Fair;

15 Jun 2022 **Addis Ababa (Ethiopia) Ethiopian Economics Association** first annual conference on **Oromia Region** economic development;

16-20 Jun 2022 **Addis Ababa (Ethiopia)** Expo Ethiopia International Trade Fair

Chronology

20 Apr 2022 **Addis Ababa (Ethiopia)** *The East African*. **East African** military intelligence agencies discuss regional security, terrorism and other issues of common concern;

19 Apr 2022 **Nairobi (Kenya)** *World Food Programme*. The **World Food Programme** states that it requires \$473m to provide humanitarian assistance in the drought-stricken countries of **Ethiopia**, **Kenya** and **Somalia** for the next six months;

18 Apr 2022 **Addis Ababa (Ethiopia)** *Addis Standard*. The **Russian** embassy in Ethiopia denies reports and images circulating on social media that Ethiopians are queuing outside the embassy to join the Russian army in its military operations against **Ukraine**;

18 Apr 2022 **Addis Ababa (Ethiopia)** *2Merkato*. Industry minister **Melaku Alebel** says Ethiopia received \$390m in export revenues from the manufacturing industry from July 2021 to March 2022;

2 Apr 2022 **Nairobi (Kenya)** *Euro News*. The **World Food Programme** in Ethiopia confirms that its trucks, carrying over 500 metric tonnes of food and nutrition aid, were allowed to enter the **Tigray**-held town of **Erepti** in the **Afar** region, en route to **Mekelle** in Tigray;

29 Mar 2022 **Addis Ababa (Ethiopia)** *All Africa*. A judge in **Addis Ababa** grants imprisoned Ethiopian journalist **Amir Aman Kiyaro** bail, following his arrest on 28 November under Ethiopia's state of emergency laws and detention without charge since then;

28 Mar 2022 **Addis Ababa (Ethiopia)** *Africa News*. **Djibouti's** President **Ismail Omar Guelleh** pays a state visit to President **Abiy Ahmed** and discusses matters including energy and trade;

³⁰ Reuters, accessed 20 Apr 2022

³¹ Xinhua, 13 Mar 2022

³² UK Gov, accessed 20 Apr 2021

25 Mar 2022 **Addis Ababa (Ethiopia)** *France 24*. The **Tigray People's Liberation Front** agrees to the **Ethiopian** federal government's call for a humanitarian truce, urging the government to allow the flow of urgent humanitarian assistance to the **Tigray** region;

24 Mar 2022 **Addis Ababa (Ethiopia)** *Al Jazeera*. The Ethiopian government declares an "indefinite humanitarian truce" in the conflict with the **Tigray People's Liberation Front**, stating that it aims to aid the delivery of humanitarian assistance in the Tigray region;

24 Mar 2022 **Tigray (Ethiopia)** *Human Rights Watch*. **United States**-based NGO **Human Rights Watch** states that an airstrike carried out by the Ethiopian government hit a school hosting thousands of **Tigrayans** on 7 January;

21 Mar 2022 **Addis Ababa (Ethiopia)** *US Department of State*. **US** Special envoy for the **Horn of Africa**, **David Satterfield**, arrives in Ethiopia for a two-day visit to meet Ethiopian government, **African Union** and **United Nations** officials, as well as representatives of humanitarian organisations;

18 Mar 2022 **Addis Ababa (Ethiopia)** *Reuters*. A lawyer for a group of 14 **Tigrayan** former government officials who had been incarcerated reports their release from prison;

13 Mar 2022 **Nairobi (Kenya)** *The Standard*. **Kenyan** telecommunications service provider **Safaricom** announces that it has entered into an agreement for a fibre optic infrastructure sharing agreement with **Ethiopian Electric Power** to power the company's network operation in Ethiopia.

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