

AFRICA RISK CONSULTING

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Ethiopia Summary 20 May 2022

President Abiy Ahmed's (2018-present) government agrees a \$300m grant with the World Bank, while the United States (US) Agency for International Development commits funding of nearly \$313m in emergency humanitarian assistance to the Tigray region. The government calls into question the commitment of the Tigray People's Liberation Front to the Unilateral Humanitarian Ceasefire agreed on 24 March and expels United Kingdom-based news outlet The Economist journalist Tom Gardner, heightening concerns around press freedoms in Ethiopia. Conflict continues in the Afar region, while tension escalates between Ethiopia's Muslims and Orthodox Christians and the military conducts an exercise against the Oromo Liberation Army. Ethiopia inches closer towards the launch of a securities exchange, and the country achieves 93.1% of its targeted revenue collection for the first ten months of the fiscal year starting July 2021. Grand Ethiopian Renaissance Dam (GERD) tensions ratchet up, with the Ethiopian government claiming to have repelled cyber-attacks targeting the project. Both Egypt and Ethiopia lobby the US for support in resolving the dispute over the filling and operation of the dam. The number of new Covid-19 infections remains low.

International organisations pledge assistance as humanitarian crisis deepens...

The international community has pledged emergency humanitarian assistance to the **Ethiopian** government while encouraging it to pursue a lasting resolution to the conflict in the **Tigray** region. The **United States (US) Agency for International Development (USAID)** announced on 21 April funding of almost \$313m for emergency humanitarian assistance to the Tigray region. Ethiopia's finance minister, **Ahmed Shide**, met with USAID administrator **Samantha Power** on 23 April to discuss the development and humanitarian challenges plaguing Ethiopia, including the continuing impact of the **Russia-Ukraine** conflict on food prices, the need to improve access to aid in Tigray, and accountability for human rights abuses that have are alleged to have taken place during the conflict.¹

The Ethiopian government and the **World Bank** concluded an agreement on 17 May for a \$300m grant to aid the rehabilitation and recovery of areas impacted by the conflict.² The grant will target education, healthcare, water and sanitation services, as well as rehabilitation of victims of gender-based violence.³ These developments come after international aid organisations raised the alarm around a rising funding gap, which they say is impeding their operations in Ethiopia (see *ARC Briefing Ethiopia Apr 2022*).

The international community is continuing its diplomatic efforts to engage the Ethiopian government to resolve the Tigray conflict, which began at the end of 2020. Deputy prime minister and foreign minister **Demeke Mekono** hosted **European Union** special representative for human rights **Eamon Gilmore** on 19 May. Ethiopia's foreign affairs ministry stated that the discussion covered accountability for alleged human rights abuses, accessibility to humanitarian aid as well as the need for long-term peace. The ministry lauded the government's declaration of the **Unilateral Humanitarian Ceasefire** on 24 March, but stated that this overture had not "*been met with equal commitment and determination from the TPLF side*".⁴

¹ USAID, 23 Apr 2022

² Reuters, 17 May 2022

³ Al Jazeera, 17 May 2022

⁴ Walta, 19 May 2022

The remaining tensions between the two sides present a stumbling block to a long-term peace agreement as fighting continues in some areas. **Tigray People's Liberation Front (TPLF)** spokesperson **Getachew Reda** stated on 25 April that the TPLF forces had left the **Afar** region, in the hope that this would aid the delivery of food aid to Tigray. However, Afar police commissioner **Ahmed Harif** claimed that while the TPLF forces had withdrawn from **Abala** (Afar), they remained in other districts of Afar and maintained control of the highway between Abala and **Mekelle**, the capital of Tigray.⁵

TPLF control of highways means that much needed food is unable to reach Tigray. The **Associated Press (AP)** reported on 20 April that at least 1,900 children under the age of five had died from malnutrition in the Tigray region between June and April. Despite **Abiy Ahmed's** (2018-present) government and the TPLF agreeing to a ceasefire on 24 March, only around 80 food trucks had entered the region by 20 April, far fewer than the 2,000 trucks of food that the **United Nations (UN)** estimates must enter Tigray each week to address the region's aid and nutrition needs:

*"Because we cannot access most areas, we do not know what is happening on the community level... these are simply the deaths we have managed to record in health facilities."*⁶

... and government continues to clamp down on insurgencies

Outside of the Tigray conflict, the Abiy government continues its efforts to retain its centralised power and clamp down on insurgencies. Minister of state communications **Legesse Tulu** announced on 14 May that government security forces had killed members of the rebel **Oromo Liberation Army** in an operation in parts of **Welega, Guji** and **Shoa**, as well as in the **Borona** zone bordering **Kenya**.⁷ The opposition **Oromo Federalist Congress** alleged in a statement on 1 May that the government is "killing civilians, burning homes, looting and destroying property":

*"Imprisoning and torturing, sometimes killing parents on alleged affiliation of their children with OLA, has become commonplace."*⁸

Both the government-led security forces as well as the TPLF have been accused of carrying out mass killings during the conflict.⁹ The UN has launched an independent investigation into allegations of gross human rights abuses and violations on all sides of the conflict.¹⁰ The UN passed a resolution on 17 December to form an international commission of experts, which former **International Criminal Court** prosecutor **Fatou Bensouda** will lead.¹¹

Reporting on Ethiopia's security situation remains challenging for journalists. On 13 May, the government revoked the credentials of **Tom Gardner**, a journalist working for UK-based news outlet **The Economist**, inviting it to replace him with an "unbiased and independent" journalist.¹² In November, the government sent a warning letter to the AP, **Reuters**, **CNN** and the **British Broadcasting Corporation**, accusing the media houses of "manufacturing and disseminating false news analyses" on the Tigray war. Several journalists have found themselves in the government's crosshairs amid a narrowing space for free speech and freedom of information and a general erosion of press freedoms in the country (see *ARC Briefing Ethiopia Jan 2022*).

GERD tensions continue

The **Grand Ethiopian Renaissance Dam (GERD)** continues to be a source of controversy and tension with Ethiopia's neighbours amid escalating rhetoric over the project in recent months. **Information Network Security Agency** director-general **Shumete Gizaw** stated on 3 May that the agency had

⁵ Al Jazeera, 25 Apr 2022

⁶ Associated Press, 20 Apr 2022

⁷ The East African, 14 May 2022

⁸ The East African, 14 May 2022

⁹ BBC, 7 May 2022

¹⁰ UN News, 17 Dec 2021

¹¹ UN News, 17 Dec 2021

¹² The East Africa, 14 May 2022

repelled cyberattacks targeting the GERD as well as the country's major financial institutions. Shumete claimed that the attack, dubbed "*Black Pyramid War*", had targeted 37,000 computer systems used by the financial and administrative institutions connected to the GERD, and that "*countries that do not want the peace and growth of Ethiopia*" had supported the attack.¹³ State minister of foreign affairs, ambassador **Redwan Hussein**, alleged on 10 February that "*foreign hands and Western interests [were] seeking to tamper with the country's security*". Hussein accused the main opponents of the GERD project, **Egypt** and **Sudan**, of working with the TPLF rebels, claims that both countries denied.¹⁴

Negotiations among the three parties regarding equitable use of the dam have stalled, with Egypt in particular becoming increasingly frustrated with Ethiopia's progress on the project (see *ARC Briefing Ethiopia Feb 2022*). Egypt has appealed to the US to assist in the resolution process. Egypt's President **Abdel Fattah Al-Sisi** (2014-present) hosted US national security advisor **Jake Sullivan in Cairo** (Egypt) on 11 May, repeating the need for the parties to reach a legally binding agreement on the filling and operation of the dam.¹⁵ Egypt's ambassador to the US, **Motaz Zahran**, called on the US on 17 May to be more "*proactive*" in helping the three countries to reach a solution regarding the GERD, comparing the level of support provided by former president **Donald Trump's** (2017-2021) administration with that provided by the **Joseph Biden** (2021-present) administration. When asked about Egypt's position if the negotiation process remains stalled, Zahran stated:

*"You will have a situation whereby Egypt will have to look at all its options."*¹⁶

Zahran's comments come after President Abiy appointed former water, irrigation and energy minister **Seleshi Bekele** as ambassador to the US on 6 May.¹⁷ The new ambassador is likely aiming to shore up US support for the government's plans for the GERD.

Meanwhile, Ethiopia is continuing to use the dam unrestricted. On 5 May, it signed a Memorandum of Understanding with **South Sudan**, which will see Ethiopia begin to export 100MW of electricity to the latter, gradually increasing this to 400MW over a four-year period.¹⁸

Government focuses on financial sector and revenue growth

The government is continuing to focus on liberalising key sectors of Ethiopia's economy and increasing private investment in the country's state-owned firms. The finance ministry signed a cooperation agreement on 18 May with **Ethiopian Investment Holdings** and **FSD Africa** to establish the **Ethiopian Securities Exchange (ESE)**.¹⁹ Under the agreement, FSD Africa will be the majority funder of the process to establish the ESE. Finance minister **Ahmed Shide** said the establishment of the country's first securities exchange would "*usher in a new era for the Ethiopian financial industry and the economy as a whole*".²⁰ FSD Ethiopia CEO **Ermias Eshetu** said the organisation will work with stakeholders in the financial sector, including

*"government, the private sector, civil society organisations, and other development partners supporting the development of inclusive and robust financial markets"*²¹

The government is also continuing efforts to bolster its fiscus through efficient tax revenue collection. The revenue ministry's performance report released on 19 May shows that authorities have collected 282.5 billion Birr (\$5.4 billion) in tax and related revenues over a ten-month period. This is an 18.6% increase year-on-year from the revenue collected in the previous period. Of the total revenues, over 186.7 billion Birr (\$3.6 billion) comes from domestic tax while the remaining 113.8 billion birr (\$2.2

¹³ Addis Standard, 3 May 2022

¹⁴ Al monitor, 16 Feb 2022

¹⁵ Daily News Egypt, 11 May 2022

¹⁶ Al Arabiya, 18 May 2022

¹⁷ Al monitor, 14 May 2022

¹⁸ Al Monitor, 15 May 2022

¹⁹ East African Business Week, 18 May 2022

²⁰ Walta Info, 18 May 2022

²¹ FSD Africa, 19 May 2022

billion) came from export trade tax and customs duties. The ministry noted that it had achieved 93.1% of its ten-month target, set at 303.3 billion Birr (\$5.9 billion). The ministry also announced that it is building its capacity to tackle the rise in contraband trade and tax evasion in Ethiopia, noting that thus far its efforts had intercepted over 39 billion Birr (\$757,282) worth of illegal items this year.²²

Covid cases remain low

The number of new **Covid-19** infections appears to have continued a downward trend despite Ethiopia's return to unrestricted movement after the government lifted the state of emergency in February.²³ The average daily number of confirmed new Covid-19 cases as of 18 May was 29.²⁴ As of 18 May, Ethiopia had recorded 471,089 Covid-19 infections and 7,512 Covid-19-related deaths in its population of 118 million since the **World Health Organization (WHO)** declared the pandemic on 11 March 2020.

As part of the government's public health response to the Covid-19 pandemic, the health ministry has administered at least 29.3 million doses of Covid-19 vaccines.²⁵ As of 18 May, 13.1% of the population had received full vaccination against Covid-19. The government had aimed to fully vaccinate 20% of its population by end-March.²⁶

Visitors to Ethiopia who are not fully vaccinated are required to present a negative PCR test, no older than 120 hours (five 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**.²⁷ 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

²² Ethiopian Monitor, 19 May 2022

²³ Reuters, 7 Nov 2021

²⁴ Our World in Data, 20 Mar 2022

²⁵ Reuters, accessed 20 Apr 2022

²⁶ Xinhua, 13 Mar 2022

²⁷ UK Gov, accessed 20 Apr 2021

Planner

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

19 May 2022 **Addis Ababa (Ethiopia) FSD Africa**. The government launches the **Financial Sector Deepening Ethiopia** project, funded by the **Bill & Melinda Gates Foundation** and expected to provide financial and technical assistance across the public and private sector;

19 May 2022 **Addis Ababa (Ethiopia) Ethiopian Monitor**. The revenue ministry reports that authorities have collected 282.5 billion Birr (\$5.4 billion) in tax and related revenues over a ten-month period, an 18.6% increase year-on-year from the revenue collected in the previous period;

19 May 2022 **Addis Ababa (Ethiopia) Ethiopian Monitor**. Deputy prime minister and foreign minister **Demeke Mekono** hosts **European Union** special representative for human rights **Eamon Gilmore**;

17 May 2022 **Addis Ababa (Ethiopia) Reuters**. The Ethiopian government and the **World Bank** sign an agreement for a \$300m grant to aid the rehabilitation and recovery of areas of the country impacted by the Tigray conflict;

14 May 2022 **Oromo (Ethiopia) The East African**. Minister of state communications **Legesse Tulu** announces that government security forces have killed members of the rebel **Oromo Liberation Army** in a military operation taking place in the **Oromia** region;

11 May 2022, **Addis Ababa (Ethiopia) The East African**. The government revokes the credentials of **United Kingdom**-based journalist **Economist Tom Gardner**, inviting the news outlet to replace him with an “*unbiased and independent*” journalist;

9 May 2022 **Addis Ababa (Ethiopia) The East African**. State-owned telecoms company **Ethio Telecom** launches a 5G network available in key areas in **Addis Ababa**, including the airport and at Ethio Telecoms’ head office;

5 May 2022 **Addis Ababa (Ethiopia) Al Monitor**. Ethiopia and **South Sudan** sign a Memorandum of Understanding which will see Ethiopia begin to export 100MW of electricity to South Sudan, gradually increasing this to 400MW over a four-year period;

26 Apr 2022 **Gondar (Ethiopia) Al Jazeera**. Unidentified men have reportedly killed 20 **Muslims** in an ambush en route to a burial in the town of **Gondar**, with clashes leading to an escalation in conflict between Muslims and **Orthodox Christians** in the surrounding region and Addis Ababa;

25 Apr 2022 **Amhara (Ethiopia) All Africa**. **Tigray People's Liberation Front (TPLF)** spokesperson **Getachew Reda** states that TPLF forces have left the **Afar** region, hoping this would aid the delivery of food aid to **Tigray**, while Afar police commissioner **Ahmed Harif** claims TPLF forces remain in the Afar region and maintain control of the highway linking **Amhara** to Tigray;

23 Apr 2022 **Addis Ababa (Ethiopia) US Agency for International Development**. Finance minister **Ahmed Shide** meets with **United States Agency for International Development (USAID)** administrator **Samantha Power** to discuss development and humanitarian challenges plaguing Ethiopia;

21 Apr 2022 **Tigray (Ethiopia)** *U. Agency for International Development*. **United States Agency for International Development (USAID)** announces funding of almost \$313m in emergency humanitarian assistance for the Tigray region;

20 Apr 2022 **Tigray (Ethiopia)** *Associated Press*. The **Associated Press** reports that at least 1,900 children under the age of five have died from malnutrition in the **Tigray** region between June 2021 and April 2022;

About Africa Risk Consulting:

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