

AFRICA RISK CONSULTING

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Ethiopia Summary 24 February 2023

The African Union's (AU) Joint Committee tasked with monitoring and implementing the peace accord between the Ethiopian government and Tigray forces holds a meeting on 10 February. It is the first meeting of the committee since the peace accord was signed in November 2022. The government and Tigrayan forces also meet on 3 February as the United Nations (UN) laments that pockets of the Tigray region remain inaccessible to humanitarian aid. Multiple sources continue to report the presence of, and abuses being carried out by, Eritrean troops in parts of Tigray. Fighting between the Oromo and Amhara ethnic groups in the Amhara region continues. Three clerics also break away from the Ethiopian Orthodox Tewahedo Church alleging that the leadership of the church has discriminated against the Oromos. Ethiopia hosts the 36th Ordinary Session of the Assembly at the AU headquarters in Addis Ababa on 18 and 19 February. The agenda for the assembly includes food insecurity across the region, ongoing deadly conflicts and the displacement of people. Sudan's head of state Abdelrahman al-Burhan (2021 - present) commits that Sudan is aligned and in agreement with Ethiopia on all issues regarding the Grand Ethiopian Renaissance Dam, ending years of disagreement. Significant developments continue in Ethiopia's business environment with long-term economic potential spanning the telecommunications sector.

Peace accord makes slow progress...

The **African Union's (AU) Joint Committee** tasked with monitoring and implementing the peace accord between the **Ethiopian** government and **Tigray** forces held its first meeting at the AU headquarters in **Addis Ababa** on 10 February. It commended the progress made by both parties under the agreement, including *"the restoration of essential services, including banking, telecommunications, medical and humanitarian support"* in Tigray, but called for continued progress towards meeting the accord's goals.¹ This also comes after the peace negotiating teams from both sides of the conflict met for the first time on 3 February in the presence of prime minister **Abiy Ahmed** (2018 - present).

The meeting was held amid growing concerns about the slow pace of the restoration of basic services in Tigray - the **United Nations (UN)** lamented on 2 February that despite increased humanitarian access *"some pockets remain that have not yet been accessed."*² Ethiopia-based media outlet **Addis Standard** reported eyewitness accounts on 14 February from three families who allege that ten of their children were abducted by **Eritrean** troops in **Gure Endagabir** outside of **Axum City** in **Tigray**. The outlet quotes a father of two abductees as saying:

*"The youngsters were not members the Tigray combatants rather they are innocent civilians who were working in the area to support their family."*³

There have also been reports of ongoing rapes and sex abuse crimes, allegedly committed by Eritrean troops in Tigray despite the signing of the peace accord. Eritrea was not a party to the peace negotiations which took place in **Pretoria (South Africa)** in November 2022. However, comments made by the country's president **Isaias Afwerki** (1993-present) indicate that his government is not in agreement with the peace accord. Afwerki stated on 13 February that the peace deal signed between

¹ African Union, 10 Feb 2023

² Addis Standard, 4 Feb 2023; United Nations, 2 February 2023

³ Addis Standard, 14 Feb 2023

the government and Tigrayan authorities was done by the **United States** to save Tigrayan forces from losing in the battlefield. He also alleges that the deal was “*prepared and given to them [the signatories] by Washington*”.⁴

... as clashes continue between Oromo and Amhara ethnic groups

Witness accounts of fighting between the **Oromo** and **Amhara** ethnic groups in the Amhara region were reported on 27 January.⁵ The clashes are reported to have erupted on 22 January in the town of **Jewuha** when fighters, thought to be affiliated with the **Oromo Liberation Army (OLA)**, attacked Amhara special forces at a camp in the town, killing over 20 of them. The Amhara regional government confirmed the clashes on 25 January and a doctor at **Shewa Robit** hospital confirmed to the media that the hospital had received the bodies of “*several people*” since 23 January as well as victims with serious injuries.⁶

Abiy and the **United States** secretary of state **Antony Blinken** held an official phone call on 23 January where the latter stressed the need to “*bring an end to ongoing instability in the Oromia region*”. This comes amid increasing hostilities and conflict between government forces and armed members of the OLA, known by the government as ‘Shene’. ENDF launched a military operation in southern Oromia on 3 January in an offensive against the rebel group.⁷

Conflict in the country has also spilled over into a rift in the **Ethiopian Orthodox Tewahedo Church (EOTC)**, one of the oldest churches and largest on the continent.⁸ Three clerics from the Oromia region reported on 4 February that the leadership of the church had discriminated against the Oromos. They went on to declare themselves archbishops and establish their own governing body which led to protests on the day, and according to the church, resulting in the deaths of at least 30 people.⁹ The **Ethiopian Human Rights Commission (EHRC)** reported on 10 February that eight people had been killed in **West Arsi** zone in **Shashemene** (Oromia) as a result of “*excessive use of force*” by government security forces during clashes with followers of Orthodox Christianity. The EHRC further noted that violence in varying magnitudes was reported in **Nekemte, Gimbi, Dembi Dollo, Shambu, Asella, Shashemene, Chiro, Yabello, Jimma, Bule Hora** and **Nagelle** cities.¹⁰ The report continues:

“Human rights abuses that deprive citizens their right to life, right to freely exercise their religion and express their opinion have been committed. As a result, the government must carry out proper investigation and take appropriate legal measures, and also redress the victims”¹¹

The internet watchdog **NetBlocks** also noted that access to social media platforms, including **Facebook, Messenger, TikTok** and **Telegram**, had been restricted in the country following the violent protests.¹² The EHRC also reported on 15 February that at least 50 people had been killed in an attack which took place from 2 February to 4 February on a camp for internally displaced persons in the **East Wollega** zone in **Ano** (Oromia). The report quotes survivors who witnessed perpetrators wearing the military uniform of the OLA entering the town in three different directions.¹³

In a positive development, the Holy Synod of the EOTC and the three clerics released a joint statement on 16 February agreeing to work together to resolve the schism which has affected the church.¹⁴

⁴ Addis Standard, 13 Feb 2023

⁵ St Joseph’s University, 21 Feb 2020

⁶ Africa News, 27 Jan 2023

⁷ All Africa, 23 Jan 2023

⁸ Al Jazeera, 12 Feb 2023

⁹ Al Jazeera, 12 Feb 2023

¹⁰ Addis Standard, 11 Feb 2023

¹¹ Addis Standard, 11 Feb 2023

¹² Al Jazeera, 10 Feb 2023

¹³ Addis Standard, 15 Feb 2023

¹⁴ Addis Standard, 16 Feb 2023

Oromia region president, **Shimellis Abdissa**, called on the OLA for reconciliation, however warning that:

“Those who are unwilling to resolve the problem peacefully will be forced to continue the law enforcement measures.”¹⁵

In response, the OLA labelled the call for reconciliation “welcome news” but stated that the call did not have enough clarity and nuance to create optimism over a potential peace process.¹⁶

Ethiopia hosts African Union Summit

Abiy hosted the **36th Ordinary Session of the Assembly** of the AU at its headquarters in Addis Ababa from 18 February to 19 February. The attending heads of state and the government of the AU elected **Comoros** president **Azali Assoumani** (2019-present) as the new chairperson of the AU for 2023, taking over from **Senegal’s** president **Macky Sall** (2012-present).

Critical issues on the agenda for the assembly included food insecurity across the region, ongoing deadly conflicts and the displacement of people, as well as the acceleration of the implementation of the **African Continental Free Trade Agreement**.¹⁷ The UN secretary general **Antonio Guterres** announced on the side lines of the conference, a \$250m allocation, the largest ever from the **UN Central Emergency Response Fund** to address “forgotten crises” globally, including countries facing famine.¹⁸ This will be highly beneficial for Ethiopia as a survey by US-based analytics firm **Gallup** conducted in 2022 reports that 65% of Ethiopians are struggling to afford food, with food prices rising 43% in 2022 from the previous year.¹⁹

With the peace agreement between the government and Tigray forces continuing to hold, Abiy is focusing his attention on securing regional support for pressing humanitarian crises impacting his country, such as the ongoing drought in the **Horn of Africa** where trends are now worse than those during the 2011 famine.²⁰ Abiy commended African leaders’ endorsement of the outcomes of the **Dakar 2 Summit on Food Sovereignty and Resilience** hosted by the **African Development Bank**. The summit mobilised over \$36 billion in investment to boost food and agriculture production across the continent.²¹ He stated:

“It is time for Africa to feed itself and fully unlock its agriculture potential to feed the world”²²

Ethiopia and Sudan find common ground on GERD

Prospects are improving towards a resolution with Ethiopia’s neighbours as the government forges ahead with the construction of the **Grand Ethiopian Renaissance Dam (GERD)** on the **Nile River**. Abiy met with **Sudan’s** head of state **Abdel Fattah Abdelrahman al-Burhan** (2021-present) on 26 January in **Khartoum** (Sudan). Sudan’s sovereign council, which is chaired by Burhan, stated during the visit that both countries are “aligned and in agreement on all issues regarding the Grand Ethiopian Renaissance Dam”.²³

The statement comes after years of conflict between Ethiopia and its downstream neighbours **Sudan** and **Egypt** over the project. The project has been strongly opposed by some countries also situated along the Nile, mainly Egypt and Sudan, voicing that the project will disrupt water supply further downstream, adversely impacting the neighbouring states’ electricity supply and agricultural sectors.

¹⁵ Addis Standard, 17 Feb 2023

¹⁶ All Africa, 18 Feb 2023

¹⁷ Africa News, 18 Feb 2023

¹⁸ Reuters, 19 Feb 2023

¹⁹ Voice of America News, 14 Feb 2023

²⁰ Al Jazeera, 22 Feb 2023

²¹ African Development Bank, 20 Feb 2023

²² African Development Bank, 20 Feb 2023

²³ Africa News, 27 Jan 2023

Although all parties to the dispute continue to express their commitment to a peaceful resolution, negotiations have reached an impasse over recent months and Egypt remains opposed to the project. However, Sudan's softened stance may see the three countries return to the negotiating table.

Business activity continues to improve

The government announced on 13 February that it plans to sell at least 45% of its stake in the state-owned telecommunications provider **Ethio Teleco** as significant developments in Ethiopia's economy continue to improve the business environment and long-term economic potential. The government first announced the planned partial privatisation of the utility in 2018, but the process was stalled by the outbreak of the Tigray war and only revived in November 2022, on the back of an improved security situation in Tigray. In another telecommunications-related development, the **Kenya**-headquartered **Safaricom**-led consortium operating as Ethiopia's second telecommunications operator will pay \$150m in licence fees, including an investment protection fee, to launch its mobile money service **M-Pesa** in the country. The **National Bank of Ethiopia**'s draft document published on 9 February states:

The investment protection fee is paid by foreigners to invest in businesses exclusively reserved for local investors or the government. Despite the steep fee, the prospects for mobile money in the country are bright, particularly as financial inclusion in the country is relatively low with only 35% of the adult population having a bank account or account with a formal financial institution.²⁴ There is also significant opportunity to deepen the scope of mobile financial services in the country to provide more advanced services to citizens. For example, the revenues ministry partnered with Ethio Telecom on 2 February to enable the latter's customers to pay their taxes using its **TeleBirr** mobile money platform.²⁵

The trade and regional integration ministry also disclosed on 20 February that the country has earned over \$2 billion from export trade since July 2022. The ministry noted, however, that this is still below the trade target the government set of \$2.8 billion. It lamented shortages in export commodities supplies and a drop in demand in the global market as well as the impact of contraband on the **Khat** export market, Ethiopia's fourth largest export. Despite this, the state continues to anticipate around \$5.4 billion in revenue for the 2022/23 fiscal year, a 30% increase from the previous year. Agriculture is the largest contributor to the country's foreign trade, accounting for 77.2% of the total revenue. The manufacturing and mining sectors contributed 9.84% and 6.88% respectively to the seven-month export revenue, with the remaining 3.27% being secured from electricity and other export trade.²⁶

Planner

2 - 4 Mar 2022 **Addis Ababa (Ethiopia)** Made in **Germany-Africa** tradeshow;

15 - 21 Mar 2023 **Addis Ababa (Ethiopia)** 55th Session of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development

Chronology

23 Feb 2023 **Addis Ababa (Ethiopia)** *Ch-Aviation*. **Namibian** president **Hage Geingob** meets with **Ethiopian Airlines** executives on the side lines of the **African Union** summit where they discuss ways to revive Namibia's defunct state-owned operator **Air Namibia**.

23 Feb 2023 **Addis Ababa (Ethiopia)** *Reuters*. An informal group of international bondholders is proposing to extend the maturity of Ethiopia's \$1 billion Eurobond which is due to come to maturity in 2024, to 2029 or 2030 under an amortising structure.

²⁴ World Bank, June 2021

²⁵ Ethiopian Monitor, 2 Feb 2023

²⁶ Ethiopian Monitor, 20 Feb 2023

21 Feb 2023 **Beijing (China)** *Borkena*. Finance minister **Ahmed Shide** and China's assistant commerce minister **Li Fei** sign a Memorandum of Understanding on behalf of their countries which aims to boost bilateral economic and trade relations by creating a working committee;

20 Feb 2023 **Addis Ababa (Ethiopia)** *Ethiopian Monitor*. **Ethiopian Airlines** signs a Memorandum of Understanding with the **Intergovernmental Authority on Development** to provide a framework for the provision of the airline's products and services to the regional bloc comprising eight member states of **Djibouti, Ethiopia, Kenya, Somalia, South Sudan, Sudan, and Uganda**;

19 Feb 2023 **Addis Ababa (Ethiopia)** *Ethiopian Monitor*. Prime minister **Abiy Ahmed** meets with **European Council** president **Charles Michel** on the side lines of the **African Union Summit**, discussing progress on the peace agreement in **Tigray**, development plans and **Ethiopia-European Union** relations;

17 Feb 2023 **Somali region (Ethiopia)** *United Nations Refugee Agency*. **United Nations Refugee Agency** estimates that 60,000 **Somalis**, mainly women and children, have fled to Ethiopia's **Somali region** "in the past few weeks" fleeing clashes and insecurity in **Laascaanood (Somalia)**;

16 Feb 2023 **Wolkite (Southern Nations, Nationalities and Peoples region)** *Addis Standard*. Security forces open fire on protesters demonstrating against the lack of fresh water in **Wolkite** city killing six people are killed and seriously injuring 15 others;

16 Feb 2023 **(Tigray) Ethiopia** *All Africa*. **Tadesse Werede**, commander-in-chief of the **Tigray** armed forces, discloses that regional officials will establish an interim regional administration as stipulated by Article 10 of the peace accord;

10 Feb 2023 **Addis Ababa (Ethiopia)** *Addis Standard*. Government shuts schools in Addis Ababa after the mayor's office releases a statement alleging "various attempts" to spread conflict from within the **Ethiopian Orthodox Church** to schools;

9 Feb 2023 **Addis Ababa (Ethiopia)** *Ethiopian Monitor*. Finance minister **Ahmed Shide** signs Ethiopia's commitment to an **Emission Reduction Purchase Framework Agreement** with the **World Bank's BioCarbon Fund** which aims to support countries to reduce their carbon emissions and will begin by targeting the **Oromia Forested Landscape Programme**;

8 Feb 2023 **Addis Ababa (Ethiopia)** *United Nations Refugee Agency*. **Filippo Grandi**, the head of the **United Nations Refugee Agency**, concludes a three-day visit to Ethiopia where he notes that his agency requires \$370m to assist, protect, and find solutions for refugees and forcibly displaced families in the country in 2023;

6 Feb 2023 **Rome (Italy)** *Ethiopian Monitor*. Prime minister **Abiy Ahmed** conducts a one-day working visit to Rome where he and **Italian** prime minister **Giorgia Meloni** sign a joint declaration that will launch an **Ethiopian-Italian Cooperation Framework** for 2023 to 2025. The Italian government also commits to €100m (\$105.3m) in soft loans and €40m (\$42.1m) in grants to Ethiopia.

4 Feb 2023 **Addis Ababa (Ethiopia)** *Ethiopian Monitor*. State-owned **Commercial Bank of Ethiopia** records a Br 12.96 billion (\$240.97m) profit from its operations since July 2022, representing a 15.6% year-on-year growth.

3 Feb 2023 **Addis Ababa (Ethiopia)** *Addis Standard*. **Tracey Ann Jacobson**, chargé d'affaires at the **United States** embassy in Ethiopia visits state minister at the foreign affairs ministry **Mesganu Arga** where the latter asks Jacobson to support its bid to terminate the mandate of the **International Commission of Human Rights Experts on Ethiopia** charged with investigating allegations of human rights abuses in the country during the Tigray conflict;

3 Feb 2023 **Dire Dawa (Ethiopia)** *Ethiopian Monitor*. Senior government officials from Ethiopia and **Djibouti** inaugurate the **Dire Dawa Dry Port and Terminal**, built for \$68m, which finance minister **Ahmed Shide** notes could become Ethiopia's logistics hub owing to its proximity to Djibouti's seaports;

2 Feb 2023 **Somali Region (Ethiopia)** *Africa News*. The **Ethiopian Media Authority** instructs the **Somali Region Communications Bureau** to suspend 15 foreign media outlets operating in the state, citing, among its reasons, some of the media houses' operating without licences. **Nation Media Group**, the regional journalists' association counters that the suspension is due the media's reporting of corruption and other issues in the region;

3 Feb 2023 **Afar and Amhara (Ethiopia)** *Ethiopian Monitor*. Education minister **Birhanu Nega** announces the launch of the reconstruction of 70 schools destroyed by conflict in the **Afar** and **Amhara** regional states by September;

27 Jan 2023 **(Ethiopia)** *Ethiopian Monitor*. **National Educational Assessment and Examination Services** releases the **Ethiopian University Entrance Exam** results, showing that only 29,909 (3.3%) of the total students who sat for the 2021/22 grade 12 national exam managed to achieve a score of 350 (50%) or higher;

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