

## AFRICA RISK CONSULTING

### Ethiopia Monthly Briefing March 2024

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#### Ethiopia Summary 22 March 2024

*The ongoing conflict in Amhara continues to worsen as illustrated by the recent clashes in the regional capital, Bahir Dar, on 29 February. Civilians continue to bear the worst of this conflict with reports emerging of numerous incidents of civilian deaths. Water and energy minister Habtamu Itafa reveals on 15 March that Ethiopia has generated over \$1 billion in electricity exports in the past 18 months highlighting the country's growing role as a major regional electricity provider. However, Ethiopia remains somewhat dependent on aid for its humanitarian and developmental needs, evidenced by the United States pledging over \$190m in aid over the past month. The Ethiopia-Somaliland agreement remains a major diplomatic issue for Ethiopia and continues to result in external pressure for the government to renege on the agreement.*

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#### Clashes in Amhara capital as region's conflict deteriorates

The ongoing conflict in the **Amhara** region between the **Ethiopian National Defence Force (ENDF)** and the Amhara nationalist militias (known as **Fano**) has continued to deteriorate, with clashes between security forces and Fano militants in **Bahir Dar**, Amhara's capital, on 29 February.<sup>1</sup> Officials have not revealed how many people were killed in these clashes – which predominantly occurred in the city's **Abay Mado** and **Kebele 14** neighbourhoods - however, witness accounts indicate that there were several casualties.<sup>2</sup> Amhara regional officials reported the clashes followed a security force operation seeking militants who had “*infiltrated*” the city.<sup>3</sup> However, the fact that armed Fano forces managed to establish a presence in Bahir Dar indicates the extent to which these militia groups are growing in strength and operational capacity.

Bahir Dar remains a comparatively secure city in Amhara despite the recent clashes. Currently, the areas experiencing the highest levels of fighting in Amhara are the **Gojam, North Shewa, North Wolo** and **Gondar** zones.<sup>4</sup> Ethiopian authorities and security services have strived to limit reporting on the conflict and, as such, it is difficult to ascertain the extent of the casualties that have been incurred in the recent clashes. However, what reporting has occurred as well as eyewitness accounts indicates that high numbers of fatalities are being incurred.

Furthermore, as the conflict escalates, both the ENDF and the Fano militia appear to be increasingly ambivalent towards inflicting civilian casualties. This was best illustrated by the clashes in the town of **Merawi** (Gojam zone), located 30 kilometres (km) south of Bahir Dar, last month in which over 50 people were killed, dozens of whom were civilians. Reports indicated that many of the casualties in Merawi were killed execution-style by ENDF forces. Further highlighting this, an ENDF airstrike killed 15 civilians on 19 February when a missile hit their vehicle; this strike occurred approximately 24km from the actual battlefield.<sup>5</sup> Similarly, on 23 February, Fano militants killed eight civilians in **Shewa Robit** (North Shewa zone).<sup>6</sup> These civilians were murdered after Fano militia stopped their vehicle at a checkpoint. It is suspected that the victims were executed after they were identified as ethnic **Oromos**.

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<sup>1</sup> Addis Standard, 1 Mar 2024

<sup>2</sup> Addis Standard, 4 Mar 2024

<sup>3</sup> Amhara Communications, 1 Mar 2024

<sup>4</sup> BBC, 26 Feb 2024

<sup>5</sup> Reuters, 23 Feb 2024

<sup>6</sup> Addis Standard, 24 Feb 2024

These high rates of civilian casualties have since been politicised with both sides seeking to blame the other for these deaths. Recently, on 10 March, a Fano militia spokesperson accused the ENDF of targeting Amhara civilians as retaliation for battlefield losses the military incurred fighting the militia.<sup>7</sup>

This conflict is also inflicting severe economic harm on the region, and by extension Ethiopia itself. The Amhara regional government revealed on 7 March, that the conflict has cost the region, ETB 15 billion in economic damage (\$266m). Similarly, the **Amhara Mineral Resources Development Bureau** has claimed that the conflict has caused substantial disruption to Amhara's mining sector and that future developments have been suspended due to the deteriorating security environment.<sup>8</sup>

The intensity of this conflict and the high rate of civilian casualties are partly a result of how the ENDF prosecuted the **Tigray War** which occurred in the Tigray region between 2020 and 2022. The war was fought between the **Tigray People's Liberation Front (TPLF)** and the ENDF, with the latter actually supported by the Fano militia in the conflict. In fact, the militia likely could arm itself during that conflict which has enabled it to grow to the strength it has today. The Tigray conflict was marked by the indiscriminate targeting of civilian populations, and such civilian targeting has become part of both the ENDF and the Fano militia's modus operandi in prosecuting their own campaigns.

The Amhara conflict is a clear threat to safety and security in Ethiopia. This was highlighted in the **United States (US) Intelligence Community's** 2024 annual threat assessment which was made publicly available on 11 March.<sup>9</sup> In this report, the US intelligence services warned that Ethiopia's "*multiple, simultaneous internal conflicts, heightening interethnic tension and the risk of atrocities against civilians*" could lead to a new national conflict.<sup>10</sup> The report specifically cites the Amhara conflict when coming to this conclusion.

At present, the government seems unwilling to enter into any serious negotiations with the Fano militia but also clearly cannot decisively defeat this group on the battlefield. The ENDF remains weakened from the Tigray War, as such, the security situation in Amhara is expected to continue to deteriorate.

### Ethiopia records strong electricity exports

In a positive economic development, water and energy minister, **Habtamu Itefa**, revealed on 15 March that the country had generated over \$1 billion in electricity exports since September 2022.<sup>11</sup> The majority of the exports went to **Sudan, Djibouti, and Kenya**. Ethiopia has actively sought to position itself as a major net exporter of electricity in the **East Africa and Horn of Africa** regions utilising its beneficial hydroelectric resources - approximately 93% of electricity generation in Ethiopia is derived from hydropower. Key among this has been the development of the **Grand Ethiopian Renaissance Dam (GERD)**.

Ethiopia is hoping to further develop its electricity generation capacity and expand its power exports, with Itefa confirming that the country will soon begin exporting electricity to **South Sudan**. Notably, Ethiopia's ambitions expand beyond its immediate geographic neighbourhood. The energy minister also revealed that the country is hoping to take advantage of the growing interconnectivity of electric grids across Africa to export electricity as far as **South Africa**. This should be possible given the connection between the **Eastern Africa Power Pool (EAPP)** - of which Ethiopia is a member - and the **Southern African Power Pool (SAPP)**.<sup>12</sup>

<sup>7</sup> Borkena, 12 Mar 2024

<sup>8</sup> Addis Standard, 11 March 2024

<sup>9</sup> ODNI, 11 March 2024

<sup>10</sup> ODNI, 11 March 2024

<sup>11</sup> ENA, 15 Mar 2024

However, Ethiopia still needs to expand its domestic electrification as well. Currently, the **World Bank** estimates that only around 54.2% of Ethiopians have access to electricity.<sup>13</sup> Electrification rates are particularly low in the country's rural areas. The fact that Ethiopia has been able to generate such substantial revenue from electricity generation indicates that the country is generating excess electricity and thus just needs to expand its transmission infrastructure, however, this expansion is expected to coincide with a continued investment in the country's generating capacity for Ethiopia to remain a net electricity exporter.

### ...yet, aid dependency remains

Despite strong trade figures and the **International Monetary Fund (IMF)** forecasting economic growth of 6.2% of GDP, Ethiopia remains a comparatively aid-dependent country, with the US alone pledging over \$190m in humanitarian and development aid over the past month.<sup>14</sup> On 16 March, the **US Agency for International Development (USAID)** announced that it would provide \$80m in humanitarian assistance to Ethiopia, specifically intended to provide aid to communities affected by the compounding effects of climate shocks and conflict in the country.<sup>15</sup>

Then on 19 March, US officials announced that \$111m in funding would be provided to combat the spread of **HIV/Aids** in Ethiopia under the **US President's Emergency Plan for AIDS Relief (PEPFAR)** programme.<sup>16</sup> This funding will prioritise providing HIV/Aids prevention, care, and treatment in conflict-affected areas which are viewed as most vulnerable to increased rates of HIV transmission.

In addition to the US funding, the **African Development Bank (AfDB)** announced on 8 February that it had approved a \$46m donation towards **Ethiopia Borana Resilient Water Development** which aims to improve water supply to communities in southern Ethiopia.<sup>17</sup>

Ethiopia is a major economic power in Africa and is ranked fifth on the continent in terms of nominal GDP. However, the country remains largely undeveloped, especially in its outlying rural areas. The government has been distracted by conflict and internal political upheaval in recent years and this has come at the cost of better economic development. As such, Ethiopia still has a long way to go before it will no longer be dependent on foreign humanitarian and developmental aid.

### Government under intensifying pressure to abandon Somaliland deal

This reliance on external aid has also made the Ethiopian government more vulnerable to external diplomatic pressure, evident in the effort being placed on the state to renege on its 1 January agreement with the breakaway region of **Somaliland**.<sup>18</sup> Under this agreement, Somaliland would lease Ethiopia a stretch of coastal land on which the country could develop a naval base and in return, Ethiopia would recognise Somaliland as an independent sovereign state.

Somaliland has had de facto independence ever since it broke away from **Somalia** in 1991. However, the international community does not recognise the state and is still claimed by Somalia as its sovereign territory. As such, the key ambition of Somaliland's foreign policy for the past 30 years has been to convince a major regional or international power to recognise its independence. If Ethiopia were to formally recognise Somaliland it could open the door for additional states to do likewise. A formal embassy in **Addis Ababa** would also grant access to other countries' **African Union (AU)** representatives which would dramatically bolster Somaliland's lobbying efforts for further recognition. The 1 January agreement is clearly beneficial for both parties, Somaliland would be recognised as an independent state by a regional power while Ethiopia would gain access to the sea

<sup>13</sup> World Bank, 2023

<sup>14</sup> IMF, 1 Jan 2024

<sup>15</sup> Borkena, 16 Mar 2024

<sup>16</sup> New Business Ethiopia, 19 Mar 2024.

<sup>17</sup> Borkena, 1 Mar 2024

<sup>18</sup> Bloomberg, 8 Mar 2024

for the first time since **Eritrea** seceded in 1991. Restoring Ethiopia as a maritime has long been one of Prime Minister **Abiy Ahmed's** (2018-present) dearest ambitions.

However, when the agreement was announced it instigated a diplomatic frenzy with Somalia accusing Ethiopia of committing an act of aggression and warned that if the agreement was implemented it could lead to a regional conflict. It should be noted that the 1 January agreement is only an initial agreement and is not binding on either party.

The fallout over the agreement has led to fears that it could further destabilise the security environment in the Horn of Africa. As such, Ethiopia has come under increased diplomatic pressure to renege or renegotiate the deal. The matter was reportedly brought up by Kenyan President **William Ruto** (2022-present) during Abiy's visit to **Nairobi** on 28 February. This follows US assistant secretary of state for African affairs, **Molly Phee**, urging Ethiopia in February to negotiate the agreement with Somalia's government directly. The US has expressed concern that any prolonged fallout between Ethiopia and Somalia could benefit the Somalia-based terror group **al-Shabaab**. The ENDF is a participant in the effort to combat al-Shabaab.

Ethiopia has reportedly indicated to key partners such as the US that it may try and withdraw from the clause calling for Somaliland recognition. However, Somaliland has made it clear that it views recognition as a pre-requisite for any land lease agreement. As it stands, this diplomatic pressure has caused Ethiopia to essentially dramatically slow down proceeding with the agreement with Somaliland. However, as yet the Ethiopian government – especially Abiy, appears to be hopeful it can find a way to proceed with the matter.

## Planner

Apr 2024 <b>(Ethiopia)</b> 11th Tana High-Level Forum on Security in Africa
2024 <b>Addis Ababa (Ethiopia) Africa Union (AU) – Canada</b> Forum
2024 <b>(Ethiopia) Horn of Africa</b> heads of state summit

## Chronology

21 Mar 2024 <b>Addis Ababa (Ethiopia) Africanews</b> . Government confirms that an <b>International Monetary Fund (IMF)</b> staff mission is in the country as government seeks a loan programme;
20 Mar 2024 <b>Addis Ababa (Ethiopia) Biz Community</b> . <b>M-Pesa Safaricom</b> signs an agreement with <b>South Africa</b> -headquartered digital payment network <b>Onafriq</b> to streamline remittance flows into Ethiopia;
18 Mar 2024 <b>Addis Ababa (Ethiopia) BBC</b> . A system glitch at Ethiopia's largest commercial bank, the <b>Commercial Bank of Ethiopia (CBE)</b> , allows customers to withdraw more money than is in their accounts resulting in losses of \$40m;
18 Mar 2024 <b>Addis Ababa (Ethiopia) ENA</b> . The foreign ministers of Ethiopia and <b>Switzerland</b> meet in Addis Ababa and pledge to enhance bilateral cooperation between their two countries;
16 Mar 2024 <b>Addis Ababa (Ethiopia) The Reporter</b> . Transport and logistics ministry reveals that it is considering allowing private sector participation in Ethiopia's freight transport industry to reduce operating costs for the commodity sector;
16 Mar 2024 <b>Addis Ababa (Ethiopia) The Reporter</b> . The <b>Tigray People's Liberation Front (TPLF)</b> warns that trust in the government's commitment to the peace process is being eroded accusing the state of failing to adequately implement the agreements made under the <b>Pretoria Peace Accords</b> ;

- 16 Mar 2024 **Addis Ababa (Ethiopia)** *The Reporter*. The **United Nations (UN) Office for the Coordination of Humanitarian Affairs (UNOCHA)** notes concerns over the increased spread of infectious diseases such as measles, cholera, and malaria in Ethiopia;
- 15 Mar 2024 **Addis Ababa (Ethiopia)** *Addis Standard*. Five workers from the **Wonji Sugar Factory** in **Khacha, Oromia** region, are found dead two weeks after they were first abducted by armed militants;
- 12 Mar 2024 **Addis Ababa (Ethiopia)** *Addis Standard*. The **Tigray** region interim government announces that 100,000 former combatants have demobilised in two distinct phases of the ongoing process but also notes that there were insufficient resources and facilities for the needed rehabilitation and reintegration processes;
- 12 Mar 2024 **Addis Ababa (Ethiopia)** *Addis Standard*. The opposition **Boro Democratic Party (BDP)** raises concerns over escalating violence and criminality in the **Benishangul-Gumuz** region;
- 11 Mar 2024 **Addis Ababa (Ethiopia)** *Addis Standard*. Government and the **Tigray People's Liberation Front (TPLF)** affirm their respective commitment to the **Pretoria Peace Accords** after attending the **First Strategic Review Meeting** by the **African Union (AU)** in Addis Ababa;
- 9 Mar 2024 **Addis Ababa (Ethiopia)** *The Reporter*. The death toll from the ongoing cholera outbreak reaches 521 with the **Oromia** and **Somali** regions being the hardest hit;
- 8 Mar 2024 **Addis Ababa (Ethiopia)** *ENA*. Prime Minister **Abiy Ahmed** meets with **Danish** foreign minister **Lars Rasmussen** during which the two discuss Ethio-Danish bilateral relations;
- 8 Mar 2024 **Addis Ababa (Ethiopia)** *Africa News*. Local aid organisations operating in **Tigray** region warn that the area is at risk of falling into famine due to the effects of drought and conflict in the region;
- 7 Mar 2024 **Addis Ababa (Ethiopia)** *Addis Standard*. Officials in the **Gardula** zone, located in **Southern Nations, Nationalities, and People's Region**, reveal that 285 workers from the area were kidnapped while travelling through **Amhara** region to work on the **Grand Ethiopian Renaissance Dam (GERD)**;
- 3 Mar 2024 **Cairo (Egypt)** *Egypt Today*. Foreign affairs minister **Sameh Shokry** criticises **Ethiopia** for its neglect of the principle of good neighbouring, adding that it has pushed Egypt to suspend negotiations aimed at reaching a legally binding agreement on the filing and operation of the **Grand Ethiopian Renaissance Dam (GERD)**;
- 1 Mar 2024 **Addis Ababa (Ethiopia)** *Borkena*. The **European Union (EU)** commits EUR 16m (\$17.45m) to support the ongoing disarmament, demobilisation, and reintegration programme in **Tigray** region;
- 1 Mar 2024 **Dar es Salaam (Tanzania)** *The East African*. Ethiopia and **Tanzania** sign memoranda of understanding aimed at strengthening trade and diplomatic ties between the two countries;
- 1 Mar 2024 **Addis Ababa (Ethiopia)** *France24*. **French** journalist **Antoine Galindo** is released from detention and permitted to leave Ethiopia after he was first arrested on 22 February and charged with "conspiracy to sow chaos" in the country;
- 29 Feb 2024 **Nairobi (Kenya)** *Borkena*. Ethiopia and **Kenya** sign seven memoranda of understanding (MoUs) focused on cultural development, tourism and wildlife, the blue economy, correctional services, petroleum and energy development, and capacity building in the public service;

29 Feb 2024 **Addis Ababa (Ethiopia)** *Ethiopian Airlines*. State-owned airline, **Ethiopian Airlines**, inaugurates a new e-commerce logistics hub aimed at boosting its regional and international logistics business;

27 Feb 2024 **Addis Ababa (Ethiopia)** *Defence Web*. **United Nations Mine Action Service (UNMAS)** says **Denmark** and **Japan** have made sizeable donations that will allow it to continue humanitarian mine action activities and operations in Ethiopia this year;

23 Feb 2024 **Addis Ababa (Ethiopia)** *Borkena*. Representatives from the **United Kingdom (UK)** and Ethiopia sign an MoU under which the UK will assist in enhancing border security along the **Ethiopia-Kenya-Somalia** border.

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