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Prime minister Abiy Ahmed (2018-present) officially inaugurates the Grand Ethiopian Renaissance Dam (GERD), touting the dam as a major economic, developmental, and symbolic milestone for Ethiopia. However, the completion of the GERD aggravates tensions with Sudan and Egypt, which view the dam as an existential threat to their water security. A new opposition coalition, the Tibebir le'Ethiopia Andinet, is formed. The coalition comprises five parties and is set to contest the 2026 national election. The World Bank and the International Monetary Fund (IMF) release a report raising concerns about the sustainability of Ethiopia's debt burden. Tigray Interim Administration president Tadesse Werede criticises the electoral commission's May decision to strip the Tigray People's Liberation Front (TPLF) of its official federal recognition as a political party, stoking tensions.

Grand Ethiopian Renaissance Dam inaugurated

Prime minister **Abiy Ahmed** (2018-present) [officially inaugurated](#) the **Grand Ethiopian Renaissance Dam (GERD)** during a ceremony outside the dam wall near the town of **Guba (Benishangul-Gumuz Region)** on 9 September. The launch of the dam was touted as a major economic and developmental milestone for Ethiopia, and the inauguration ceremony was **attended** by numerous Ethiopian dignitaries and several regional heads of state, including **Kenya's President William Ruto** (2022-present) and **Somalia's President Hassan Sheikh Mohamud** (2022-present).

The GERD is a 5.15-gigawatt (GW) hydropower dam built on the **Blue Nile River** and is the largest such project in Africa, and currently the 17th largest hydroelectric dam in the world. Ethiopia began developing the dam in 2011 and touted it as a priority national project that would help address the country's growing power needs. Ethiopia primarily funded the dam by itself, including by [crowdsourcing](#) funding from the country's citizens. In the process, the GERD became a point of national pride in Ethiopia and a symbol of the country's growing regional and international prominence. During the ceremony, Abiy even [praised](#) the dam's construction as *"the greatest achievement in the history of the Black race"*.

This symbolism was compounded by the opposition to the dam expressed by Ethiopia's fellow Nile River nations, **Sudan** and **Egypt**. The GERD's construction has been a major source of tensions between Ethiopia and Sudan and Egypt, especially the latter. Egypt is dependent on the Nile River for all its water needs; as such, it views any upstream developments that could impact the supply of water flowing down the Nile as an existential threat. Ahead of the dam's inauguration, Egypt and Sudan [issued a joint statement](#) claiming that the GERD *"violates international law and represents a continuous threat to stability in the Eastern Nile Basin"*. After the official inauguration of the GERD, Egyptian foreign minister **Badr Abdelatty** [submitted a letter](#) to the **United Nations (UN) Security Council (UNSC)**, decrying the filling of the dam as an *"unlawful unilateral act"*.

Egypt and Sudan base their claims on a colonial-era treaty, which grants them sweeping water preservation rights of the entirety of the Nile River – including both the Blue Nile and the **White Nile**. Ethiopia was not a party to this treaty and has refused to recognise the treaty's validity. Ethiopia has rebuffed Egypt's opposition to the GERD and accused the Egyptian government of having [a "colonial mindset"](#). Ethiopia's decision to proceed with the final filling of the GERD's reservoir and officially inaugurate the dam indicates that the government has lost interest in engaging with Egypt and Sudan over the matter. The three countries have held numerous rounds of negotiations over the past 14

years and even formed an International Panel of Experts (IPOE) to study the dam's impact. However, these efforts failed to secure a consensus and Ethiopia and Egypt (and Sudan to a lesser degree) have fundamentally irreconcilable positions on the matter. Ethiopia views the GERD as essential to its economic future and a matter of national sovereignty while Egypt views the very existence of the dam as a potential existential threat. The competition over the dam has worsened Ethiopia's relations with Egypt and Sudan and these tensions will likely persist for the foreseeable future.

Practically, the dam has the potential to revolutionise Ethiopia's electricity sector. The dam's full capacity of 5.15GW of power is more than double the rest of Ethiopia's generation capacity combined. This will significantly improve Ethiopia's energy security and enable the state to achieve its ambitious electrification plans. The **World Bank's** latest figures [show](#) only 55% of Ethiopians had access to electricity in 2022. The government has set an ambitious target to extend access to a further 10 million citizens by 2026. The completion of the GERD has ensured that the country has the power to do so, leaving developing Ethiopia's transmission network as the main challenge.

The GERD should also enable Ethiopia to emerge as a major electricity exporter in the **Horn of Africa**. This would be a valuable source of revenue for the state and help Ethiopia improve its relations and influence over its neighbouring states.

New opposition coalition formed

The ruling **Prosperity Party (PP)** is widely expected to win a commanding majority in June 2025 national elections, given its national presence and superior resources. However, [a new opposition coalition](#), known as the **Tibebir le'Ethiopia Andinet**, was recently formed, which could potentially limit the scale of the PP's victory. The new alliance comprises the **All-Ethiopian Unity Party**, **Ethiopian People's Revolutionary Party (EPRP)**, **Enat Party**, the **Ethiopia Democratic Party**, and the **Amhara Gionawi Movement**.

This coalition has [submitted](#) its constitution and emblems to the **National Election Board of Ethiopia (NEBE)** and will hold a founding congress on 20 October, at which point it is expected to appoint the coalition's office bearers. This congress could even identify who will lead the coalition as its prime ministerial candidate.

The forming of such coalitions is essential for any party to navigate Ethiopia's elections and appeal to the diverse and disparate electorate. It should be noted that the PP, itself, was formerly a multi-party coalition called the **Ethiopian People's Revolutionary Democratic Front (EPRDF)** before Abiy pushed for the coalition to be unified as a single party.

As yet, Tibebir le'Ethiopia Andinet's true electoral potential is unclear. None of the member parties are currently represented in Ethiopia's **House of People's Representatives**. However, Ethiopia's political environment has undergone substantial shifts since the last national election in 2021 and definitely since the last peace-time election in 2015. The 2021 election took place during both the **Covid-19** pandemic and the **Tigray War (2020-2022)**. A new opposition coalition comprising parties with different constituencies could potentially make an impact in the 2026 election but Abiy and the PP retain tight control over the Ethiopian state. The PP is also using this power to limit the political space in Ethiopia, setting it up to retain a strong majority after the 2026 election, and see Abiy return as prime minister.

Global financial institutions issue a warning over Ethiopia's debt burden

The latest joint World Bank-**International Monetary Fund (IMF)** debt sustainability [analysis](#), released on 18 September, has raised concern over Ethiopia's debt, noting that its debt is unsustainable due to falling foreign exchange reserves and protracted breaches of export-related external debt indicators. Further, the institutions still consider Ethiopia to be debt-distressed following its December 2023 failure to meet its **Eurobond** interest payments. This is significant as Ethiopia's ambitious infrastructure development agenda will require significant capital layout, which could potentially exacerbate the country's debt burden.

However, the World Bank and IMF noted that Ethiopia's financial position is on a generally positive trajectory. This will be facilitated by strong forecasted economic growth; the IMF estimates that real GDP growth will average 7.4% over the next decade. In addition, if Ethiopia adheres to its economic reform agenda and debt restructuring programme, debt sustainability should be restored over the medium term and allow Ethiopia to exit its state of debt distress. The World Bank and IMF are also confident that the government will manage to reach a final agreement with its **Official Creditor Committee (OCC)** and external commercial creditors. Such an agreement would help stabilise the country's debt situation and make Ethiopia's debt obligations more sustainable.

Ethiopia is expected to adhere to its current fiscal consolidation and reform agenda. However, the government is unlikely to adopt a more aggressive approach in the coming year, even though this may fast-track its debt stabilisation. This is primarily due to the country's elevated security spending and the government's desire to sustain beneficial government spending ahead of the 2026 national election.

Tensions in the Tigray Region worsen

The upcoming 2026 election is also aggravating tension between the federal government and the **Tigray People's Liberation Front (TPLF)**. On 12 September, **Tigray Interim Administration** president **Tadesse Werede** [criticised](#) the NEBE's decision in May to strip the TPLF of its official federal recognition as a political party (*see ARC Briefing Ethiopia May 2025*). NEBE did this as the agency did not recognise the TPLF's disputed 14th party congress, which was held in **Mekelle** on 13 August 2024. This conference resulted in the re-election of **Debretsion Gebremichael** as TPLF chairperson.

The TPLF has also rejected the NEBE's insistence that it must register as a new party in accordance with **Ethiopia's Party Registration and Ethics Reform Act**. NEBE claims that the TPLF's actions ahead of and during the Tigray War meant that the party was removed as a political party in Ethiopia and that it needs to hold a full party assembly and re-register as a political party to contest elections.

In his criticism, Werede called on the federal government to find a political solution and not a bureaucratic one. However, Werede's conciliatory stance is limited, also [declaring](#) "we [*the TPLF*] are ready for anything, including war". His comments are the latest indicator that relations between the TPLF and the federal government are deteriorating and that factions on both sides view a renewed conflict as inevitable. These tensions will be aggravated in the 2026 elections; however, if the TPLF is not recognised by the NEBE and permitted to contest the election, the party will refuse to accept the result. This will trigger a showdown between the TPLF and the federal government and potentially lead to a new war in Tigray.

Planner

Jun 2026 (**Ethiopia**) general election;

Chronology

22 Sep 2025 **Addis Ababa (Ethiopia)** *Human Rights Watch*. **United States**-headquartered **Human Rights Watch (HRW)** releases a statement raising concerns about an increase in the arrest of journalists in Ethiopia, which poses a threat to press freedom in the country;

20 Sep 2025 **Addis Ababa (Ethiopia)** *The Reporter*. The Addis-Ababa-based nongovernmental organisation (NGO), **Human Rights First Ethiopia**, releases a report raising concerns about arbitrary detentions in the **Tigray** and **Afar** regions;

20 Sep 2025 **Addis Ababa (Ethiopia)** *The Reporter*. **Ethiopian Airlines** announces that it will set up a special-purpose company (SPC) to develop, finance, and operate its planned \$10 billion **Bishoftu International Airport** project;

20 Sep 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Prime minister **Abiy Ahmed** promotes several senior military officers, including four to the rank of General and two to the rank of Lieutenant General;

19 Sep 2025 **Addis Ababa (Ethiopia)** *The Reporter*. Prime minister's office releases a statement announcing that **Eyob Tekalign** will be the next **National Bank of Ethiopia (NBE)** (central bank) governor, and **Entalem Meles** will be the next head of the **Government Communication Service**;

19 Sep 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. The **Financial Intelligence Service (FIS)** announces that it froze the bank accounts of 123 individuals suspected of illicit foreign currency activities;

17 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. The **Amhara Fano National Force (AFNF)** militant group claims to have killed numerous government soldiers in an attack in the **Shewa** area (**Amhara Region**);

15 Sep 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. A group of 42 countries issue a joint statement to the **United Nations (UN)** expressing concern about human rights and the narrowing civic space in Ethiopia;

13 Sep 2025 **Addis Ababa (Ethiopia)** *The Reporter*. The **Ethiopian Coffee and Tea Authority** raises the minimum threshold for individuals and businesses intending to enter the coffee export sector to ETB 15m (\$104,748) for private exporters and ETB 20m (\$139,664) for companies;

12 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. The **Tinsa'e Sebe'a Enderta Party**, a minor political party in the **Tigray Region**, expresses support for the government's position that Ethiopia needs to secure sea access;

11 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. Alleged **Tigray People's Liberation Front (TPLF)** gunmen attack the town of **Alamata**, killing three people and destroying 40 local businesses;

8 Sep 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Police arrest several people for attempting to traffic 37 people in **Tigray Region**;

7 Sep 2025 **Addis Ababa (Ethiopia)** *ENA*. Prime minister **Abiy Ahmed** meets with **Angola's** President **Joao Lourenco** on the sidelines of the **Africa- Caribbean Community (CARICOM) Summit**;

7 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. The **Amhara Fano National Force (AFNF)** holds an online symposium in which it calls on the Amhara diaspora to support the militant group;

6 Sep 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Prime minister **Abiy Ahmed** reiterates his desire to secure maritime access for Ethiopia and even indicated that the country views **Eritrea's Port of Assab** as rightfully Ethiopia's, aggravating tensions with Eritrea;

4 Sep 2025 **Addis Ababa (Ethiopia)** *ENA*. Prime minister **Abiy Ahmed** visits a drone manufacturing facility, during which he stresses the importance of building Ethiopia's military capacity to the government's economic development plans;

4 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. Finance officials announce the introduction of compulsory value-added tax (VAT) on businesses with an annual revenue over ETB 2m (\$13,874);

3 Sep 2025 **Addis Ababa (Ethiopia)** *Borkena*. **Mamo Mihretu** resigns as the governor of the **National Bank of Ethiopia (NBE)** (central bank);

31 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. The **Ethiopian National Defence Force (ENDF)** claims to have killed 472 militants in the **Amhara Region** during its operations in the last week of October;

30 Aug 2025 **Addis Ababa (Ethiopia)** *The Reporter*. Finance ministry reveals that the government covered the ETB 262.3 billion (\$1.83 billion) deficit in the 2024/25 fiscal year through domestic borrowing;

29 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. Fano militants carry out an attack in the **Abe Dongoro** district (**Oromia Region**), killing at least 25 people;

29 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. Unidentified militants kill at least 20 people in the **Horoguduru** area (**Oromia Region**);

28 Aug 2025 **Addis Ababa (Ethiopia)** *Addis Standard*. The state-owned **Ethiopian Investment Holdings (EIH)** signs a shareholder's agreement with **Nigeria's Dangote Group** to develop and operate a \$2.5 billion fertiliser production facility in Ethiopia's Somali state;

25 Aug 2025 **Addis Ababa (Ethiopia)** *Borkena*. Fano militants announce the launch of a new offensive in the **Gojjam** area (**Amhara Region**), dubbed **Operation Semaetat (Operation Martyrs)**.

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