

A Week in the Horn 9.8.2019



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This year's AGOA Forum in Abidjan

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News in Brief

Africa and the African Union

The 2019 African Growth and Opportunity Act (AGOA) Forum took place in Abidjan, Côte d'Ivoire, this week (August 4-6). The Forum under the theme: "AGOA and the Future:

Developing a New Trade Paradigm to Guide U.S.-Africa Trade and Investment," brought

together senior government officials from the US and the 39 AGOA-eligible African states to discuss ways to boost economic cooperation and trade between the US and Africa. **(See article)**

The European Commission has pledged €50 million (US\$56 million) in emergency humanitarian funding to support drought-hit communities in the Horn of Africa. The

Commission said on Wednesday (August 7) the funding would help extend humanitarian assistance to affected areas. Somalia, the worst affected country would receive \$28 million, followed by Ethiopia with \$22 million. Kenya and Uganda would get \$3.3 million and \$2.2 million respectively. The funding will also go towards public health services and treatment of severe malnutrition among children and pregnant women. This brings the total EU humanitarian assistance to the region to US\$410 million since mid-last year when the drought started. According to the UN Organization for the Coordination of Humanitarian Affairs (UNOCHA) about 13 million people require urgent food assistance.

Ethiopia

Prime Minister Dr. Abiy Ahmed launched the National Investment and Jobs Creation Committee on Wednesday (August 7) at a meeting attended by Regional Chief Administrators and Federal Ministers. The National Committee, chaired by the Prime Minister, will align policy and institutional systems and play a leading role in securing and expanding investments. It will ensure the implementation of plans to increase investments and job creation and coordinate the work of Federal and Regional entities and other stakeholders in creating a conducive investment environment to accelerate job creation. **(See article)**

Prime Minister Abiy held a meeting with Danish Minister for Development Cooperation, Rasmus Prehn on Wednesday (August 7), during which they discussed issues related to energy policy, jobs creation, increased investments, democracy, climate change and the environment. Mr. Prehn expressed the Government of Denmark's support to Ethiopia's reform initiatives. He also lauded the Green Legacy Initiative and joined PM Abiy in planting trees within the compound of the Prime Minister's Office.

Deputy Prime Minister Demeke Mekonnen launched a national plan to combat contraband and illicit trade this week and called for the joint efforts and commitment of stakeholders at all levels. This was crucial for the success of the plan and to curb the problem. He said: "We should act collectively now to prevent contraband and illicit trade as it a cancer for our economy".

The efforts of the Ministry of Foreign Affairs to repatriate migrants and bring home Ethiopians imprisoned in foreign countries have been remarkably successful over the last year. The Director-General Consular Affairs in the Ministry, Yohannes Shode gave details of the repatriation of illegal migrants and prisoners conducted through the joint efforts of the government and the UN International Organization for Migration (IOM) at the weekend. **(See article)**

State Minister of Agriculture Sani Redi led a successful working visit to Israel to further bilateral economic ties and promote citizen diplomacy at the end of last month (July 21- 25). The delegation which included the State Ministers of Innovation and Technology; and of Water, Irrigation and Energy; and Ambassador Dewano Kedir, Permanent Secretary for Economic Affairs at Ministry of Foreign Affairs, held a series of productive government-to-government meetings with Israeli officials and business leaders as well as making field visits and meeting representatives of the Ethiopian-Israeli Community. **(See article)**

State Minister of Foreign Affairs, Dr Markos Tekle, held talks with a business delegation led by Nobuhiko Sasaki, Chairman of Japan External Trade Organization (JETRO) on Tuesday (August 6). Dr. Markos called upon Japanese investors to take advantage of Ethiopia's favorable investment climate, assuring them of government commitment to provide all necessary support. He emphasized that Ethiopia was preparing to promote its investment opportunities at the 7th Tokyo International Conference on African Development (TICAD 7), taking place later this month (August 28-30). Mr. Sasaki, who commended the reforms in Ethiopia, said Japanese investors were keen to invest in Ethiopia to assist the country's industrialization drive. JETRO opened its office in Addis Ababa in July 2016 to promote business exchanges between the two countries.

Demelash Gebremichael, Director General of Ethiopia's National Intelligence and Security Service and General Abu Bakr Mustafa, head of Sudan's National Intelligence and Security, have signed an agreement to work together. The two organizations will cooperate in exchange of information in the fight against terrorism, illicit movement of arms and financial flows, human trafficking, and border and organized crimes. They also agreed to carry out operations to prevent crimes along their border.

The Ministry of Trade and Industry announced over the weekend that Ethiopia had secured US\$2.67 billion from exports during the last Ethiopian budget year which ended on July 7. In a briefing to journalists on Saturday (August 3) the Ministry said this amounted to about 61% of the planned total. The shortfall was attributed to contraband trade, prices fluctuations in global market, a lack of power and quality of products as well as instability in some parts of the country. Exports of tantalum, pulses, oilseeds, and floriculture achieved over 75 % of their target, but other exports including coffee, power, textiles and garments, spices, leather and leather products, minerals, and live animals, registered smaller results. The Ministry said that among measures to be taken to improve exports would be improving the marketing system, supporting industrial parks, expanding infrastructure, controlling contraband, and increasing financing and logistics supply for export-oriented industries.

The African Development Bank (AfDB) and Ethiopia have signed a grant agreement for US\$95.6 million for the first section of the Adama-Awash Expressway project, part of Ethiopia-Djibouti transport corridor development on Monday (August 5). This will involve a 60 km four-lane road to connect Adama to MelkaJilo town. Finance Minister Ahmed Shide Said: "The project will enhance the regional integration in trade and transport by improving the road network, road safety and savings in time and vehicle operating costs." The AfDB says the

Ethiopia-Djibouti transport corridor will serve as a basis for regional integration and deepen economic trade and transport integration efforts between the two countries.

The Deputy Mayor of Addis Ababa, Engineer Takele Uma, met the President of the Turkey-based World Tourism Forum, Bulut Bağcı on Tuesday (August 6). Mr. Bağcı expressed interest in holding the 2020 World Tourism Forum in Addis Ababa. He also pledged support to the 'Beautifying Sheger Project,' the three-year initiative to help make Addis Ababa a tourist destination, as well as to support ongoing efforts to conserve historical heritage sites in the city.

The Ethiopian Coffee and Tea Authority (ECTA) announced a new initiative to establish a national umbrella coffee brand, Ethiopian Coffee, to boost the country's share of coffee export in the international market. The initiative, announced on Tuesday (August 7) will enhance the international presence and image of Ethiopia's major coffee varieties, such as Yirgacheffe, Harar, and Sidamo coffee. ECTA Director-General, Adugna Debella, said this would had paramount importance for developing the coffee sector. It is part of a plan to raise production from the near 600,000 tons at present to 1.8 million tons over the next five years. It would also help to negotiate the price of coffee on the international market.

Eritrea

President Isaias held talks with a Saudi Arabian delegation led by Lt. General Prince Fahad bin Turki bin Abdulaziz, Commander of the Coalition Forces against Terrorism on Tuesday (August 6). The meeting focused on the development of bilateral relations between Eritrea and Saudi Arabia as well as security of the Red Sea region. Also present were Major General Humed Karikare, Commander of the Eritrean Navy; Colonel Melake Kiflemariam, Chief of Staff of the Eritrean Navy; and Major General Yahya Mohammed Asiri, Naval Operation Authority.

The official celebration of the Silver Jubilee of the Sawa Military Training Center and the launching of the National Service Program and the graduation of members of the 32nd round of National Service was celebrated on Friday (August 2) at Sawa with a military parade as well as cultural and artistic performances depicting the contribution of Sawa and the National Service Program to nation building. President Isaias paid tribute to those that sacrificed their lives for their country and those who had made contributions for national development. He said the celebration was being held at the beginning of a new era and this required a thorough review of the experiences gained over the last twenty-five years as well as consolidation of effort and commitment for national development.

Somalia

US Under Secretary for Political Affairs David Hale met Prime Minister Hassan Ali Khayre in Mogadishu on Monday (August 5). Mr. Hale reaffirmed America's commitment to assist Somalia's political reform, economic development and stabilization efforts. He expressed the US's expectation of a peaceful and credible election in the Jubaland later this month, and he encouraged progress for one-person, one-vote national elections next year. They agreed on the

value of security operations to liberate areas from Al-Shabaab and preparing Somali forces to take over from AMISOM. The Prime Minister briefed Mr. Hale on recent political and security developments and progress towards meeting the conditions for debt relief.

The Executive Board of the International Monetary Fund concluded its 2019 Article IV consultation with Somalia last month and published the results last week. The Board noted continued implementation of reforms and strong donor support continuing to support economic activity, especially in the telecom, trade, construction, and financial sectors. It welcomed the ongoing efforts to improve economic resilience and inclusive growth and the continued improvement in fiscal performance while recognizing the continuing security and political challenges. **(See article)**

AMISOM launched a public awareness campaign in Mogadishu this week to ensure people keep abreast of the ongoing preparations for the one-person, one-vote elections for 2020/21. It is planning a series of town hall meetings in Mogadishu and other towns for Federal Member States to educate and update Somalis on the electoral and constitutional process. *(See article)*

General Stephen Townsend, the new commander of U.S. Africa Command (AFRICOM), visited Somalia on Wednesday (August 7). He met with Somali Prime Minister Hassan Ali Khayre in Mogadishu, as well as U.S. Ambassador Yamamoto and senior Somali military leaders. AFRICOM said the visit allowed him to assess the situation in Somalia, and reinforce AFRICOM's commitments to the region's security. General Townsend said: "I am committed to working together and advancing our partnership with Somalia," adding, "Along with Somalia and other international partners, we will apply continued pressure on violent extremist organizations. This pressure creates conditions and opportunity for further political and economic development."

A joint AMISOM and Somalia Security Forces operation has liberated the town of Aw Dheegle in the Lower Shebelle region from Al-Shabaab terrorists. Ambassador Madeira, the Head of AMISOM, in a statement on Tuesday (August 6) welcomed the operations as "yet another demonstration of the growing and increasing capabilities of the Somali Security Forces and further proof that given the right conditions, the Somali National Army is capable of executing successful anti-terror operations and can take over security responsibility of their country", Aw Dheegle has for years been a base where Al Shabaab assembled, planned and launched their activities. Since April, AMISOM and the SNA have been carrying out a series of successful operations capturing a number of Al-Shabaab strongholds including Sabiid and Bariire, also in the Lower Shebelle region.

South Sudan

The chairman of the Ceasefire and Transitional Security Arrangements Monitoring and Verification Mechanism (CTSAMVM), Major General Abiche Ageno expressed concerns over the slow implementation of the security arrangements in the peace agreement. He was addressing the Mechanism's 13th technical committee meeting in Juba on Monday

(August 5) and urged the parties to open the cantonment sites and ensure that assembly points for the forces are fully implemented within the remaining four months of the extended pre-transitional period.

Sudan

The Transitional Military Council (TMC) and the main opposition coalition, the Forces for Freedom and Change (FFC), initialled a constitutional declaration on Sunday (August 4) on the shape of a transitional government. The parties are expected to put their final signatures on the agreement on August 17 at a ceremony in Khartoum. **(See article)**

The Kingdom of Saudi Arabia and the United Arab Emirates have announced they are providing Sudan with 540,000 tonnes of wheat. In a statement on Wednesday, they said this would meet Sudanese food requirements for three months. The first two consignments have already been shipped. In April Saudi Arabia and the UAE announced a three-billion-dollar assistance package, \$500 million of which was deposited into the Sudan Central Bank. Last month, they delivered fifty tons of fertilizers to help Sudanese farmers. The remainder of the aid package will be allocated to meet the needs of the Sudanese people for food, medicine, petroleum derivatives, and seasonal agricultural requirements.

U.S. Undersecretary of State for Political Affairs David Hale said on Wednesday (August 7) that the US still needed to settle some issues with Sudan before removing it from the list of state sponsors of terrorism. The US placed Sudan on its list of state sponsors of terrorism in Mr. Hale told a press conference in Khartoum that the US looked forward to engaging with a civilian-led government in Sudan on a number of issues including human rights, religious freedom and counter-terrorism efforts, as well as “promoting internal peace, political stability and economic recovery in Sudan. He said the US was “fully committed to helping Sudan transition to a civilian-led government that reflects the will of the people.” During his visit, Mr. Hale met with the chairman of Sudan’s Transitional Military Council General Abdel Fattah al-Burhan and representatives of the Forces for Freedom and Change.

Agreement on a transitional government is initialled in the Sudan

The Transitional Military Council (TMC) and the main opposition coalition, the Forces for Freedom and Change (FFC), initialled a constitutional declaration on Sunday (August 4) on the shape of a transitional government. The parties are expected to put their final signatures on the agreement on August 17 at a ceremony in Khartoum which will be attended by foreign leaders.

The constitutional declaration, which says Sudan will be a democratic, multi-party country ruled by a parliamentary system, defines the powers of a Sovereignty Council, Prime Minister and Legislative Council during a 39-month transitional period as well as addressing issues

of security and the military, elections, borders and peace. The Sovereignty Council is to be made up of eleven members, five officers selected by the military council, five civilians chosen by the FFC, and another civilian to be agreed upon by both sides. Its first chairperson will be from the military. The Sovereignty Council, which will be sworn in on August 19, will appoint a prime minister nominated by the FFC (August 20), who will be tasked to form a cabinet of no more than 20 ministers by August 28. The ministers of defence and interior will be chosen by the military. After being approved by the Council the Ministers will be sworn in on August 31 and hold their first cabinet meeting. The first joint session of the Sovereignty Council and the Cabinet is to take place on September 1.

The declaration also envisages the appointment of a 300-member legislative assembly to serve during the 39-month transitional period. The opposition coalition will have 67% of the seats and other political groups, not associated with the previous regime, would have the rest. 40% of the seats will be reserved for women. The transition period is expected to lead to elections.

After the Sovereign Council is formed, the Transitional Military Council, currently headed by General Abdel Fattah al-Burhan and his deputy, Major General Mohamed Hamdan Dagalo, will be dissolved. The agreement also allows for the paramilitary Rapid Support Forces to come under the general command of the armed forces, and the intelligence service to be co-supervised by the Sovereign Council and the cabinet. Major General Dagalo, said the agreement was a victory for Sudan: “We have finally agreed on a constitutional document that will change the course of history for our country.”

The agreement has been widely welcomed and Egypt, Saudi Arabia and UAE, are among the countries which have expressed their support. Sunday’s formalities were attended by the Joint African mediators, who expressed their satisfaction as the agreement. African Union Special Envoy, Mohamed Hacen Lebart, said he was very pleased that “the two delegations have fully agreed on the constitutional documents. Ethiopia’s Special Envoy to Sudan, Ambassador Mahmoud Dirir, said the agreement “establishes civilian and democratic rule that seeks to build a state of law, a state of equality, a state which does not marginalise its citizens”. He said it would end Sudan’s listing as a [state] sponsor of terrorism.

The Ethiopian government’s positive role towards bringing the disputing Sudanese parties to an agreement was commended last week by the Governor of Sudan’s Blue Nile State, Major General Ahmed Abdurahim. During a consultative meeting that brought together senior officials from Ethiopia’s Benishangul-Gumuz Regional State and the Blue Nile State of Sudan in Assosa, he said “Though separated by artificial boundaries, Ethiopia and Sudan are tied together in marriage and culture over the years,” and commended Ethiopia’s efforts to resolve the differences among Sudanese political parties and in particular, Prime Minister Dr. Abiy Ahmed for his “efforts to resolve the challenges Sudan has been facing.”

Nebiat Getachew, Spokesperson of Ethiopia’s Ministry of Foreign Affairs, welcomed the agreement, noting that “Ethiopia’s mediation was important since the country was accepted by all forces in Sudan politics to reach this political agreement.” He said Ethiopia had been closely following the situation since the beginning of the political crisis in Sudan, and

“was immediately on the ground to support the restoration of peace in the country, when the Prime Minister Abiy Ahmed’s proposal was accepted by the military and the opposition on June 7.”

The Spokesperson noted Ethiopia had played a “pivotal role” with its “proposal of arbitration which was different and prioritized Sudanese sovereignty and the interest of Sudanese people.” That was why its efforts had brought fruitful results, “receiving positive acceptance from the Sudanese people as well as the negotiators on both sides.” He stressed that everybody wished for Sudan’s problems to be solved and stability return to the country, and underlined that Ethiopia would continue to support inclusive talks between the parties. Sudan, he said, was a critical partner, neighbour and sister country.

This year’s AGOA Forum in Abidjan

This year’s annual African Growth and Opportunity Act (AGOA) Forum was held in Abidjan, Cote d’Ivoire at the beginning of this week (August 4-6), under the title: AGOA and the Future: Developing a new trade paradigm to guide US-Africa trade and investment. AGOA is due to expire in 2025. The AGOA Forum is held alternately in Africa and in the US and it brought together senior government officials from the United States and the 39 sub-Saharan African AGOA-eligible countries to discuss ways to deepen economic cooperation and increase trade between the United States and Africa. Others attending included the African Union Commission and representatives of AU Regional Economic Communities as well African Civil Society stakeholders, among them members of the African Women Entrepreneurship Program and the Young African Leaders Initiative network. The Ethiopian delegation was led by the State Minister of Trade and Industry, Ambassador Misganu Argu.

The African Growth and Opportunity Act was signed into law by the then President Clinton in May 2000 with the aim of expanding and deepening US trade and investment relationships with Sub-Saharan Africa, and to encourage economic growth and development as well as regional integration, as well as help facilitate the integration of Sub-Saharan Africa into the global economy. The legislation calls for the convening of “annual high-level meetings between appropriate officials of the United States Government and officials of the governments of sub-Saharan African countries in order to foster close economic ties between the United States and sub-Saharan Africa”. Total exports from Africa to the US increased from \$22bn in 2000 to a high of \$82bn in 2008 at the height of the commodity boom, but have since scaled back considerably.

This year’s Forum explored the new tools that both the U.S. and African governments have developed over the past year and discussed how to use them most effectively. It highlighted the important role played by women, youth, civil society, and the private sector in promoting trade, expanding economic growth, and generating prosperity. Deputy US Trade Representative Mahoney noted Africa contains some of the fastest growing economies in the world and stressed the remarkable achievement of the launch of the African Continental Free

Trade Agreement earlier in the year. This he said would enable the continent to speak with one voice and offers the expectation of boosting exports to the US substantially. It would lay the groundwork for greater competitiveness, trade diversification, and economic growth, objectives that AGOA also supported. He said the United States and the African Union would partner together to support the ongoing negotiation and implementation of the AfCFTA and help maximize the potential of U.S.-Africa trade.

The Forum concluded that AGOA continues to be critical for the US-Africa partnership and the next six years will be defining on the way forward for supporting investment and exports in agriculture, manufacturing and mining. In concluding remarks, Ambassador Nagy, US Assistant Secretary, Bureau of African Affairs, stressed that AGOA was the cornerstone of US economic engagement with Africa and he mentioned the US commitment to 15 institutions together to support Africa in a more coordinated way. He quoted the proverb: If you want to go quick go alone, if you want to go far, go together. The US he said is committed to go together, and “together we are building an increasingly prosperous, peaceful and democratic continent.” One example of the benefits from AGOA mentioned by Assistant Secretary Nagy was Ethiopia’s exports of footwear to the US which started in 2007, and by 20128, he said, had increased forty-fold with Ethiopia becoming the leading footwear exporting country under AGOA. Ethiopia is one of Africa’s top five non-oil exporters under AGOA and one of the top five African destinations for US exports in 2017-18.

Earlier, Ambassador Nagy, and Constance Hamilton, Assistant U.S. Trade Representative for Africa, held a press briefing on AGOA. Ambassador Nagy underlined that the AGOA Forum was one of the key components of U.S.-Africa strategy. He said the primary focus for the US administration, was to significantly increase trade and investment as a mechanism for growing Africa’s prosperity and providing jobs for what he called “Africa’s emerging youth tsunami,” the millions of young people, who needed jobs. Ambassador Nagy referred to recent US initiatives to boost trade and investment with Africa: Prosper Africa; the Build Act, which will lead to the creation of the International Development Finance Corporation and double OPIC’s available capital for investment in Africa and other developing countries to \$60 billion; and the new policy announced for the Millennium Challenge Corporation to allow it to operate regionally instead of bilaterally.

Constance Hamilton noted that AGOA had brought important benefits, but these had been uneven. Last year, the top five AGOA beneficiaries accounted for more than 75% of AGOA exports. Nor had AGOA led to the trade diversification originally hoped. Petroleum products continued to account for the largest portion of AGOA imports (67%). The overall volume of AGOA trade remained modest. In the clothing sector, the US imports about \$1 billion per year from Africa, but that’s only about 1% of the US’s \$95 billion global clothing imports. Ms. Hamilton stressed the importance of countries taking an active role in creating the necessary competitive conditions in which companies, entrepreneurs, and farmers could thrive. She emphasized that Africa was a top priority for the U.S. government. And that it wanted to work with partners to unlock possible gains. She also underlined that as AGOA was due to end on 2025, the US was starting discussions with partners on what comes next. One option might be free-trade area agreements with different countries, building on the success of AGOA.

During the press briefing, in answer to questions, Ambassador Nagy, a former U.S. ambassador to Ethiopia said the US applauded and supported the reforms of Ethiopia's Prime Minister Dr. Abiy, both internally on the economic side, and externally in peace-making in the region. This really promoted Ethiopia as a champion for political liberalization in the region. He said the US was working closely with the Ethiopian government to support its policy changes, which, he said, would attract more of the types of investment in businesses to create the huge number of jobs that Ethiopia needed. He added: We are partners together; we will do our best to be as supportive as possible, because we understand that there's a desperate need for jobs yesterday, not tomorrow. Ms. Hamilton said that Ethiopia was already a very attractive destination for private sector investment and referred to interesting projects going on in the apparel sector.

Prime Minister Dr. Abiy launches National Investment and Job Creation Committee

Prime Minister Dr. Abiy Ahmed launched the National Investment and Jobs Creation Committee on Wednesday (August 7) at a meeting attended by Regional Chief Administrators and Federal Ministers. The Committee, chaired by the Prime Minister, will include the Deputy Prime Minister, the Presidents of the nine Regional States, the Mayors of Addis Ababa and Dire Dawa, and two representatives each from the Prime Minister office and the Ministries of Trade and Industry; Peace; Agriculture; Urban Development and Construction; Labor and Social Affairs; Innovation and Technology; Water, Irrigation and Electricity; Mines and Petroleum; Tourism and Culture; and Science and Higher Education.

The National Committee will align policy and institutional systems and play a leading role in securing and expanding investments. It will ensure the implementation of plans to increase investments and job creation and coordinate the work of Federal and Regional entities and other stakeholders in creating a conducive investment environment to accelerate job creation.

The Prime Minister's Office said Ethiopia has to unlock the full potential of the private sector with a view to creating sustainable and decent jobs. Every year between 2 and 3 million youth enter the employability age range and add to Ethiopia's human resource and talent pool. While Ethiopia's economic performance is progressive, more work needs to be done to create a productive investment climate for job creation. The Prime Minister reiterated the importance of putting the country on a path to a virtuous cycle of development. The National Committee will meet every two months to evaluate progress and follow-up on issues requiring immediate action to unlock performance.

The Doing Business Initiative Committee, also led by the Prime Minister, has marked key milestones towards the goal of creating an enabling business environment in which the sector can play a critical job creation role. The Prime Minister's Office has indicated these two committees, working in synchronization, will be expected to facilitate the goal of creating 3 million jobs by the end of E.C 2012, September 2020. The key sectors identified and given special focus to accelerate job creation nationwide include agriculture, mining, tourism and IT.

High-level Ethiopian delegation on a successful working visit to Israel

A High-level Ethiopian Delegation led by Mr. Sani Redi, State Minister of Agriculture made a successful working visit to Israel to further bilateral economic ties and promote citizen diplomacy at the end of last month (July 21- 25). It held a series of productive government- to-government meetings with various Israeli officials and business leaders as well as making field visits and meeting with representatives of the Ethiopian-Israeli Community. The working visit has paved the way to initiate concrete areas of cooperation to enhance economic relations and raise them to the level of strategic partnership. The delegation included Mr. Jemal Bekri, State Minister of Innovation and Technology; and Dr. Frehiwot Woldehana, State Minister of Water, Irrigation and Energy; Ambassador Dewano Kedir, Permanent Secretary for Economic Affairs at Ministry of Foreign Affairs; Ambassador Shamebo Fitamo, Director General of the Middle East Affairs at Ministry of Foreign Affairs; Selamawit Dawit, Director General of the Ethiopian Diaspora Agency, and Dr. Almaz Abebe, Director General at the Innovation and Technology Ministry.

The delegation met with senior officials of the Ministry of Foreign Affairs including Ambassador Gil Heskell, Director-General of the Israel International Development Cooperation Agency (MASHAV), to exchange views on bilateral relations. They emphasized the importance of strengthening economic relations in areas of investment, trade, tourism and technology transfer in areas of agriculture, irrigation, science, technology and innovation.

They explained Ethiopia's ongoing political and economic reforms and detailed the investment opportunities available, underlining the government's commitment to work closely with the Israeli Government to boost economic ties. They stressed historic ties and the Ethiopian-Israeli community's role as a living bridge between the two countries, providing a unique opportunity to strengthen people-to-people ties as well as economic cooperation and partnership. The delegation also expressed its appreciation to the Israeli Development Cooperation Agency for its support in agriculture, and irrigation including the model avocado project. It underlined its readiness to promote cooperation in building innovation and technology ecosystems through capacity building and technology transfer.

Israeli officials noted that Ethiopia was a key partner of Israel in Africa, adding that the Israeli Government was interested to further enhance economic ties in mutually beneficial areas of trade and investment. They welcomed the ongoing political and economic reforms and said they were encouraging Israeli companies to invest in Ethiopia. Describing Ethiopia as the primary development partner of Israel, they expressed the readiness of the Israeli Government to further strengthen existing development cooperation programs in areas of agriculture, food security and irrigation as well as include science and technology as a new field of partnership.

Agriculture State Minister Sani met with Mr. Uri Ariel, Israel's Minister of Agriculture and Rural Development, who said Israel was keen to enhance cooperation in agriculture.

He highlighted the need to expand business ties and investment in the production of fruits, vegetables, flowers and large scale commercial agriculture. Mr. Sani underlined Ethiopia's interest to benefit from the technology and knowledge of Israel and requested assistance on irrigation and seedlings. He hoped the avocado project due to end in September could be extended with the involvement of the private sector. They agreed on the need to continue the capacity building program which had been suspended.

Innovation and Technology State Minister Jemal held discussions with Professor Alexander Bligh, Chief Scientist at the Israeli Science, Technology and Space Ministry. He underlined the commitment and readiness of Ethiopia to further enhance its partnership in areas of technology and innovation, particularly in building a conducive eco-system. He emphasized the need to fully implement the signed Agreement and the Memorandum of Understanding on Science and Technology. Ethiopia, he said, considered technology transfer and capacity building in areas of agriculture, irrigation and health as national priorities. Professor Bligh agreed on the importance of full implementation of the Agreement and the MOU, and they decided to establish a Joint Committee composed of relevant agencies from both sides. They also agreed to hold a Scientific Conference in November in Israel to be followed by another conference in 2020 in Ethiopia. These would enable Ethiopia and Israel to boost cooperation and partnership in technology and innovation. State Minister Jemal also met with Dr. Ami Appelbaum, Chairperson of the Board of Israel Innovation Authority and Chief Scientist of the Ministry of Economy and Industry. Dr. Appelbaum expressed the readiness of Israel to work with Ethiopia in the area of innovation based on national priorities. They agreed to strengthen their partnership in innovation and Israeli delegation would visit Ethiopia in September.

The Ethiopian delegation met with Ms. Ziva Eger, Chief Executive of the Foreign Investments and Industrial Cooperation at the Ministry of Economy of Israel. The delegation underlined the investment opportunities as well as the priority areas for investment in Ethiopia, emphasizing that Ethiopia was the gate way for Africa for Israeli investment, and invited Israeli companies to invest in Ethiopia. Ms. Eger who said historical relations should be strengthened in areas of investment and trade, detailed the investment and trade opportunities of Israel. She noted there are potential areas of partnership; Ethiopia and Israel, she said, should work together to boost economic ties in various fields.

The delegation also held meetings and made visits to a number of businesses including Mass Challenge (MC); TechForGood; the Israeli Innovation Centre, Peres Centre for Peace and Innovation; Philips Israel; Netafim; the Assuta Medical Center; Bridge Builders; Zemach fruit packing plant; Ashdot Valley Fruit Production; the Jordan Valley Water Association; and Tara Milk Factory. In all these visits, the delegation detailed the investment opportunities of Ethiopia. They invited the companies to work together with the objective of investing in Ethiopia in areas of agriculture, irrigation, health and energy.

Mrs. Selamawit Dawit, Director General of the Ethiopian Diaspora Agency, held discussions with Ethiopia-Israeli community leaders, briefing them on a wide range of issues, including the priority areas and institutional arrangements of the Agency, and the current

Diaspora initiatives to strengthen the engagement of Diaspora members in the ongoing reforms. The Director-General and other members of the delegation briefed the leaders of the community on the ongoing political and economic reforms in the country and encouraged them to continue their support and engagement with government reform efforts. They also replied to questions and comments from the members of the community. The delegation also visited the Ethiopian historical heritage sites in Jerusalem, the Debre-Seltan (Deir Sultan) Monastery and St. Kidane Mihret Church, and discussed the status of the sites with members of the Monastery.

The IMF Executive Board concludes 2019 Article IV Consultations with Somalia

The Executive Board of the International Monetary Fund (IMF) concluded its 2019 Article IV consultation with Somalia last month and published the results last week. The appraisal noted improved confidence, on the back of the continued implementation of reforms, and strong donor support continuing to support economic activity, especially in the telecom, trade, construction, and financial sectors. GDP growth is estimated at 2.8% for 2018 after 1.4% in 2017, and this year poor rainfall threatens food security. If normal rains resume later this year, GDP growth could remain broadly unchanged at around 2.9%. Inflation is expected at 3.0% in 2019, down from 3.2% in 2018.

The Federal Government's continued efforts to broaden the tax base and strengthen tax administration were reflected in increased domestic revenue, almost 30% higher than in This supported a small expansion in spending on health and education. Expenditures continue to be dominated by spending on salaries and on security-related expenditures, leaving little space for social and development programs. Despite stronger growth and an improving fiscal position, per capita incomes remain very low. More resources are needed to achieve greater economic resilience and reduce poverty. Debt is at unsustainable levels, about \$4.7 billion and 96% in arrears, and the IMF stressed Somalia will need the continued support of the international community to help meet humanitarian and development needs.

The Executive Directors agreed with the thrust of the staff appraisal. They commended the authorities' strong commitment to implementing three consecutive Staff Monitored Programs (SMP) in a challenging environment, noting that Somalia's gradual economic recovery reflected the authorities' sustained policy and reform efforts, coupled with strong donor support. The fourth SMP will cover the period May 2019 to July 2020 and will support the authorities' continued reform efforts, laying the foundation for greater self-sufficiency and higher and more inclusive growth. The program will expand and deepen measures to build fiscal sustainability, across the FGS and the Federal Member States, further improve financial stability, address residual anti-money laundering and combating the financing of terrorism (AML/CFT) gaps, and strengthen governance and the fight against corruption.

The Directors also recognized the challenging security and political situation in Somalia. They welcomed the authorities' ongoing efforts to improve economic resilience and inclusive growth.

They indicated that the forthcoming National Development Plan should provide a blueprint to support these goals, and encouraged consultation with a wide set of stakeholders.

They welcomed the continued improvement in fiscal performance, and the efforts to broaden the tax base and strengthen tax administration. However, they stress that substantially boosting development spending and achieving fiscal self-sufficiency will require more effort in terms of revenue mobilization. The Directors encouraged continued public financial management reforms, highlighting the need to strengthen controls and embed improvements in procurement. They welcomed cabinet approval of the airport fee contract and further progress on the renegotiation of the Mogadishu port contract. They underlined that a strong fiscal framework, supported by effective natural resource management and revenue sharing frameworks with Federal Member States, was critical to realizing Somalia's longer-term potential.

AMISOM launches an election awareness campaign in Mogadishu

AMISOM launched a public awareness campaign in Mogadishu this week to ensure people keep abreast of the ongoing preparations for the one-person, one-vote elections for 2020/21. The event was attended by government representatives, MPs, leaders of political parties and civil society groups as well as the United Nations, the Electoral Institute for Sustainable Democracy in Africa and the International Republican Institute. AMISOM is planning a series of town hall meetings in Mogadishu for Federal Member States to educate and update Somalis on the electoral and constitutional process.

Abdifatah Kassim, a Member of the Parliamentary Ad hoc Committee on the Electoral Law, said the House was expected to pass amendments to the proposed Election Act before the end of October to pave way for universal suffrage elections. He said it was important "to be enthusiastic about the changes in the electoral law because we have to change the mentality of voting", away from the 4.5 clan-based electoral system being used for the last thirty years, to a one-person, one-vote multiparty electoral system. He said Somalia needed to adopt an electoral model that would guarantee the rights of all adults to vote.

A Commissioner from the National Independent Electoral Commission, Hussein Abdi Adan, expressed optimism that the next elections will be peaceful and urged the public to participate in the fora to fully understand the process. He said: "We have formulated policies and are currently pushing for the adoption of the election laws. We are organizing public awareness campaigns and identifying potential polling centers. And the Electoral Commission is grateful to have the support of AMISOM through this process." He added that "the town hall meetings will provide an opportunity for the public to familiarize themselves with the National Independent Electoral Commission's 5-year Strategic Plan, which outlines a roadmap for achieving one-person, one-vote universal elections in 2020/21".

The Deputy Special Representative of the Chairperson of the African Union Commission for Somalia, Simon Mulongo, underlined AMISOM's support to facilitate the engagement fora across the country. He said: "AMISOM and other partners will ensure that all Somalis participate in the upcoming elections by educating and preparing them for the electoral process to ensure democracy is fully implemented in Somalia." AMISOM stressed the fora would involve the Federal Government, Federal Member States, leaders of political parties and the civil societies to educate and inform people on the electoral process, the electoral law and constitutional matters."

Ethiopia intensifies repatriation as well as increasing efforts to curb illegal migration

During the last fiscal year, 2018-2019, the government repatriated a total of 112,600 migrants from twelve foreign countries. It also brought home a further 24,700 Ethiopians who had been imprisoned in 19 different countries after the government came to terms with the countries where they had been imprisoned. The figures were given by the Ministry of Foreign Affairs Consular Affairs Director-General, Yohannes Shode on Sunday (August 4). He said the government, in collaboration with various stakeholders, had been exerting its utmost efforts to repatriate Ethiopians residing abroad where this became necessary. He noted the repatriation of illegal migrants and prisoners was conducted through the joint efforts of the Ethiopian government and the UN International Organization for Migration (IOM). Ato Yohannes said: "The first target regarding returnees is saving lives and rehabilitate their livelihoods when the migrants return to their home country."

The ministry, which disclosed the repatriation of 553 Ethiopian nationals from Saudi Arabia last week, emphasized that the Government of Saudi Arabia, in particular, had played a "critical role," including allocating transport costs and other assistance for returnees. Ato Yohannes said: "We have already entered into a labor agreement with the Government of Saudi Arabia, which includes soliciting jobs for skilled applicants." Future domestic workers will receive training and be briefed on Saudi customs and traditions, as well as be given medical and security certificates along with contracts. The Government has also inked an agreement with Qatar to allow eligible Ethiopians to work there and have their rights protected. The Government is also working on agreements with other Middle East countries, including Jordan and UAE, as part of its efforts to reduce the problems of Ethiopians working abroad and arrange for the repatriation of those who have got into difficulties because of illegal entry to those countries.

The Government is continuing to carry out extensive public awareness campaigns about the dangers of human trafficking, and control illegal migration, but it is estimated that thousands of Ethiopians are still being trafficked to Middle Eastern countries as well as Europe and South Africa, where they are forced to engage in the informal economy, and all-too-often fall into problems. In addition to imprisonment and various other hurdles, migrants often encounter many dangers when they attempt to cross the Red Sea route hoping to reach the Middle East via Yemen; hundreds of thousands more migrants from Africa countries face desperate and difficult situations as they try to use Libya as a transit route to Europe.

The Government has also been working hard, in cooperation with the IOM and other international and bilateral partners, to repatriate Ethiopian nationals trapped in Tripoli, Benghazi and other Libyan cities.

Over the years, Ethiopia has worked with Kenya, Mozambique, Zambia, Tanzania and other countries to curb illegal migration, making agreements over boarder entries, visa processing, immigrant handling and legal options. In 2014, it banned domestic workers from working in Middle East countries over concerns about their treatment, and has since been working to get formal agreements on conditions and protection for those working abroad, particularly domestic workers in the Middle East.

Ethiopia is also a member of the 41 nation Khartoum Process, an inter-regional forum on migration, covering the wider Horn of Africa and Europe. Set up in 2014 it is focused on preventing migrant smuggling and trafficking in human beings, and provides for cooperation on migration and regional collaboration between countries of origin, transit and destination over the migration routes between the Horn of Africa and the European Union. Under the framework of combating human trafficking and migrant smuggling, the Khartoum Process also works to address the root causes of illegal migration and displacement, to encourage legal migration and its benefits as well as help with return, readmission and reintegration of people as necessary.