

## **Africa and the African Union**

The African Union Specialized Technical Committee on Defence, Safety and Security (STCDSS), held its 10<sup>th</sup> ordinary meeting on Tuesday (January 9) in Addis Ababa. It was preceded by a meeting of African Chiefs of Defence Staff and Heads of Safety and Security (ACDSS), addressed by AU Peace and Security Commissioner, Ambassador Chergui on Monday and a meeting of Experts last week (January 5-6). **(See article)**

The latest World Bank Global Economic Prospects report released on Wednesday (January 10), says the Ethiopian economy will maintain its growth lead for the East African region at 8.2%, a drop of a percentage point from June last year. It says Ethiopia is likely to remain the fastest growing economy, but growth is expected to soften as it takes measures to stabilize government debt. The report notes growth is expected to recover in Kenya, as inflation eases, and to firm up in Tanzania with strengthening investment growth. Its 2018 forecasts for Kenya are 5.5%, Tanzania 6.8%, Uganda 5.1% and Rwanda 5.9%. Overall, it says “Growth in Sub-Saharan Africa is estimated to have rebounded to 2.4% percent in 2017, as commodity prices recovered, global financing conditions remained favourable, and slowing inflation lifted household demand.” Overall, it projects regional growth at 3.2% for this year up to an average of 3.6% in 2019 – 2020.

Dr Tedros Adhanom, Director-General of WHO and Mr Erik Solheim, Executive Director, of the United Nations Environment Programme, signed an agreement in Nairobi on Wednesday (January 10) to step up joint action to combat air pollution, climate change and antimicrobial resistance, to curb environmental health risks that cause an estimated 12.6 million deaths a year. The agreement also covers improved coordination on waste and chemicals management, water quality, and food and nutrition issues as well as joint management of the BreatheLife advocacy campaign to reduce air pollution for multiple climate, environment and health benefits. The two agencies will develop a joint work programme and hold an annual high-level meeting to evaluate progress and make recommendations for continued collaboration.

## **Ethiopia**

President Dr. Mulatu Teshome started a 4-day official visit to Cuba on Monday (January 8). The two countries share historic ties of friendship, built during the liberation struggles in Africa, and Cuban soldiers fought alongside Ethiopian troops in 1978 after Somali President Siad Barre launched an invasion of Ethiopia; and on Tuesday, the President laid a wreath at the Pantheon of the Internationalists recalling the Cuban soldiers who offered their lives for the independence of Ethiopia and who fought against apartheid. In talks, Cuban President

Raul Castro and President Mulatu pledged to boost economic and trade ties and enhance their fraternal bilateral political and economic cooperation.

Prime Minister Hailemariam held talks with the Sudanese Armed Forces' Chief of General Staff Lt. General Emad al-Din Mustafa Adawi on Monday (January 8). Discussions covered bilateral, regional, continental and global issues. Last year Ethiopia and Sudan signed a Memorandum of Understanding for enhanced joint security and military cooperation to fight terrorism.

Following talks with Prime Minister Hailemariam on Thursday (last week (January 4), Aliko Dangote, owner of the Dangote Group, Africa's leading industrial conglomerate, announced plans to double its cement investment in Ethiopia. The Prime Minister confirmed Ethiopia's commitment to provide the necessary support for investment. Mr. Dangote opened the cement plant at Mughher at a cost of US\$480 million in 2015. It has a capacity of 2.5 million tonnes of cement per annum.

The Israeli company Giga-watt Global announced at the end of last week that it was interested in investing about \$500 million in Ethiopia in renewable energy and human resource development inside the country. After meeting Prime Minister Hailemariam, CEO Josef I. Abramowitz said his company, which specialized in solar and wind power, planned to work with ten Ethiopian Universities and it had already concluded an agreement with three, Debre Tabor, Jigjiga and Mekelle, for the training of the engineers.

Prime Minister Hailemariam has appointed Deputy Prime Minister Demeke Mekonnen as the new board chairman for the Metals and Engineering Corporation (MeTEC), replacing Siraj Fergessa, Minister of Defense who remains on the board. MeTEC was set up eight years ago to enhance the role of small and medium-sized enterprises within the manufacturing industry. It currently administers 70 enterprises.

Foreign Minister Dr. Workneh Gebeyehu made a three-day official working visit to the United Arab Emirates (UAE) this week (January 9-11). The visit was intended to chart new fields of cooperation and buttressing the growing ties between Ethiopia and the UAE. **(See article)**

The National Security Council said on Wednesday (January 10) that the security situation in the country had improved over the previous month and a half, with successful measures undertaken to prevent protestors blocking roads or holding illegal rallies. Siraj Fergessa, Minister of Defence and the Security Council Coordinator said the authorities had intercepted 270 rifles, 200 handguns, and 60,000 rounds of ammunition being smuggled into the country. He called on the public to increase their contribution to the efforts being made to maintain rule of law and protect citizens' constitutional rights.

State Minister of Foreign Affairs, Mrs. Hirut Zemene met with the Chairperson of the African Union Commission, Moussa Faki Mahamat on Tuesday this week (January 9). She welcomed last week's statement by the Chairperson, she underlined that Ethiopia, as a developing country, was working to build an advanced economy as well as widen its democratic platform. **(See article)**

State Minister Hirut received Norwegian Minister of Migration and Integration Sylvi Listhaug Wednesday (January 18), during which, the two sides reaffirmed commitment to work more closely on migration and refugee management.

State Minister for Foreign Affairs, Mrs. Hirut met with the Deputy Under-Secretary of Turkish Ministry of Foreign Affairs in Charge of Africa and Middle East, Ambassador Sedat Onal on Tuesday (January 9). They discussed trade and investment as well as possible areas of strategic cooperation between Ethiopia and Turkey. Mrs Hirut expressed her satisfaction over the excellent relations between Ethiopia and Turkey; Ambassador Onal commended Ethiopia's active engagement in the UN Security Council and other regional peace and security issues.

Foreign Affairs State Minister, Dr. Aklilu Hailemichael met with a Turkish business delegation led by Mr. Fuat Tosyali, Chairman of Tosyali Holding, a company specializing in Steel and Pipe manufacturing on Tuesday (January 9). Discussions covered steel investment in Ethiopia and Mr. Tosyali told journalists that his company is ready to engage in producing steel in Ethiopia. He said he had very positive meetings with the State Minister and with the Commissioner of Investment Commission.

State Minister Dr. Aklilu received a delegation headed by the President of the Associated Chambers of Commerce and Industry of India, Mr. Sandeep Jajodia, on Tuesday (January 9). Mr. Jajodia said his group wishes to invest in the integrated ferroalloy and steel industries. The State Minister said that with massive infrastructure, the construction boom and Ethiopia's ambition to reduce foreign currency expenditure, a plan to produce construction materials locally was a sound idea.

A delegation led by Tesfaye Yegezu, State Minister of Sports, paid a working visit to the Republic of Korea last week (January 1 to 6). The delegation visited Olympic Park, several stadiums and the Korea Institute of Sports Science. It shared the best experiences of Korea in the areas of sports facilities management and facility income generating activities.

A report from the Administration for Refugee and Returnees Affairs (ARRA), responsible for education for refugees in Ethiopia says the gross enrolment rate in primary education for refugees reached over 75% in 2017. Ethiopia currently hosts over 850,000 refugees, most from South Sudan, Somalia and Eritrea, one of the highest numbers in Africa. **(See article)**

Ambassador Woinshet Tadesse, Permanent Representative of the Federal Democratic Republic of Ethiopia to the African Union and the United Nations Economic Commission for Africa presented letters of credence to the Chairperson of the African Union Commission, Moussa Faki Mahamat, on Tuesday (January 9).

The international rating agency, Fitch, in its latest statement on Ethiopia, issued at the end of December, affirmed Ethiopia's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'B', with a stable outlook. It said, "Ethiopia's consistent record of rapid economic growth and future growth potential is a credit strength". **(See article)**

## **Eritrea**

President Isaias arrived in Cairo on Tuesday (January 9) for a two-day official visit at the heads of a delegation including Foreign Minister Osman Saleh and political advisor Yemani Ghebreab. It was President's fifth visit to meet President El-Sisi. They had a closed

discussion on bilateral relations, and developments in regional and international issues as well as projects related to fishing and agriculture. This was followed by a meeting attended by Foreign Minister Sameh Shukri, the Head of the General Intelligence, Minister Khaled Fawzi, and the Egyptian Ambassador to Eritrea Yasser Ali Hashim.

The US State Department issued its latest annual designation of “governments that have engaged in or tolerated systematic, ongoing, and egregious violations of religious freedom” as “Countries of Particular Concern” (Tier 1) on January 4. Eritrea was again one of the ten countries designated as a “Country of Particular Concern”. The State Department has designated Eritrea as a “Country of Particular Concern” on a number of occasions since first doing so in 2004, most recently in October 2016. **(See article)**

## **Somalia**

President Mohamed Abdullahi on a week-long official visit to the federal state of Puntland, on Monday (January 8) cut the ribbon of the newly completed Garowe Airport. He continued his tour of Puntland throughout the week. Accompanied by regional President Abdiweli Gaas, he and his delegation of Federal Ministers and MPs left Qardho, the seat of the region’s Sultan, and headed to the port of Bossaso on Thursday (January 11).

Prime Minister Hassan Ali Khayre in an interview with the UK newspaper, the Financial Times at the weekend, called on multilateral lenders to accelerate the debt-forgiveness process so Somalia could access funds to fight terrorism. Somalia owes around \$4bn, most of its interest and penalties on loans made to the former military government of Mohamed Siad Barre. These arrears make it almost impossible for Mogadishu to access new funds from the International Monetary Fund or the International Development Association. Mr. Khayre said the government’s budget of \$274m was simply not sufficient to create the social programmes needed to prevent radicalisation of unemployed youth or to address deprivation.

The Minister of Planning, Investment and Economic Development, Jamal Mohamed Hassan, who is on a visit to Qatar met with the Secretary-General of the Ministry of Foreign Affairs, Dr Ahmed bin Hassan al-Hammadi on Tuesday (January 9). They discussed bilateral relations and ways of developing them, in addition to matters of common concern.

The United States designated the deputy leader of Al-Shabaab a "global terrorist" last week. A State Department statement says the designation of Abukar Ali Adan blocks any of his assets that are subject to U.S. jurisdiction and prohibits U.S. citizens from making any transactions with him. The U.S. has designated Al-Shabaab as a foreign terrorist organization

The Ministry of Religious Affairs has issued regulations for the annual Hajj and Umrah following a public outcry during the last pilgrimage that agents were overcharging pilgrims. In a statement released by the Ministry at the weekend, all travel agencies have been ordered to register by January 20, and the fees are being regulated. The process of obtaining visas for the Hajj is also expected to be more accessible for Somalis with the opening of an office at the Saudi Embassy in Mogadishu.

The World Health organization ended its latest measles vaccination campaign on Sunday (January 7) with a million children aged six months to 10 years in Puntland and 4.2 million across Somalia vaccinated. The campaign was conducted in partnership with WHO, the UN

Children's Fund and Somalia's Ministry of Health following the reports of thousands of suspected cases last year.

## **South Sudan**

President Salva Kiir at the weekend accused the former army chief of staff, General Paul Malong Awan, of mobilizing for war. A presidential spokesperson described him as a rebel on Tuesday (January 9), though he also called on Malong and his allies to relinquish violence and join the peace process. General Malong was relieved of his post in May last year and detained under house arrest. He was later allowed to leave for Nairobi. In a statement issued on Tuesday, General Malong claimed he was being targeted “by elements within the government who profit from war.” He said if the provocations persisted he would, “respond with appropriate and proportional force, and the blame would be on the government.”

## **Sudan**

The Troika, of the US, the UK and Norway, has welcomed the decision of President Omer al-Bashir, on Thursday last week (January 4), to extend the unilateral cease-fire until the end of March. The purpose of the ceasefire initially was to create a conducive environment for talks brokered by the African Union High-Level Implementation Panel (AUHIP) to end the armed conflict in the Blue Nile and South Kordofan states and Darfur region. The government said peace talks would renew this month but the two SPLM-N factions have not confirmed their participation.

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## ***Foreign Minister Dr. Workneh on a working visit to the UAE***

Foreign Minister Dr. Workneh Gebeyehu made a three-day official working visit to the United Arab Emirates (UAE) this week (January 9-11). The visit was intended to chart new fields of cooperation and buttressing the growing ties between Ethiopia and the UAE. The trade links between Ethiopia and the (UAE) have shown huge progress over the last ten years. Figures show Ethiopia’s exports to the UAE have risen steadily and the total trade turnover has increased by well over six times. The relation between the two countries extends beyond trade and investment and they have paid extensive new foundations in infrastructure, hotels and tourism and agro-industry in the last few years.

On Monday (January 9), Dr. Workneh met with Nasser bin Thani Al Hamel, Minister of Human Resource and Emiratization of the United Arab Emirates. The two sides underscored the need to fast-track the signing of the overseas labour agreement that has been discussed for over two years. Commending the UAE for its unflinching position towards ensuring the dignity and rights of Ethiopian Nationals living in the country, Dr. Workneh described Ethiopians working in the UAE as “bridges between the two countries.” The Minister noted the signing of the overseas labour agreement would create a viable legal framework for the protection and safety of workers. He urged the need to conclude the ongoing exchanges over technical issues and sign the agreement as soon as possible. Describing the ties between Ethiopia and the UAE as “important”, Minister Nasser bin Thani Al Hamel re-iterated the importance of close collaboration and consultation to further enhance their long-standing links. Officials from the Ethiopian Ministry of Labour and Social Affairs along with experts

from Foreign Affairs met in Dubai on January 10 and 11 with their UAE counterparts to discuss the technical documents exchanged earlier.

Meeting the Minister of Foreign Affairs and International Cooperation, Sheikh Abdullah bin Zayed Al Nahyan later in the day, Dr. Workneh expressed Ethiopia's strong desire to further expand ties across different sectors with the UAE. In light of the growing cooperation between the two nations in areas of trade and investments, he noted Ethiopia's keenness to raise cooperation to higher levels between their peoples as well as governments. Sheikh Abdullah bin Zayed Al Nahyan underscored the importance of continuing communication and engagements at various levels and different opportunities to encourage more robust links. He said the UAE was keen to support Ethiopia's remarkable economic growth, giving particular weight to the infrastructure sector in the country, and noted his Government's commitment to speed up the finalization of the construction of the Gedi-Lemlem road in Oromia Regional State. The Minister extended an invitation to Ethiopia to partake in the Dubai Expo 2020, noting this would offer a unique opportunity to engage with the private sector and broader business community. The organizers of the Expo have noted that Dubai Expo 2020 will be a festival of human ingenuity. Similarly, Ethiopia's participation in various festivals, including the annual Riyadh Travel Fair and Gulf Food Exhibition, would provide opportunities to look for markets for its agricultural exports, creating contacts with potential stakeholders in the region. The Minister noted that the UAE understood and respected Ethiopia's national security concerns.

During his visit, Dr. Workneh also held talks with Reem bint Ibrahim Al Hashimy, UAE's Minister of State for International Cooperation, in Abu Dhabi on Tuesday (January 10). The two sides discussed ways of developing the longstanding ties between the two countries, giving particular emphasis on the trade and investment sectors. He met with the CEO of the Eagle Hills company on Wednesday (January 11), noting the company's keenness to take part in Ethiopia's economic success story. Eagle Hills now has projects under development in Europe, Africa, and the Middle East. Its mixed-use mega-projects positively impact on the surrounding communities both from a financial and lifestyle aspect, while supporting local economic growth for surrounding communities.

In his discussions, Dr. Workneh underlined the major investment efforts of the government of Ethiopia improve the country's infrastructural networks and implement policies to create favourable investment climate. These efforts have yielded fruit by attracting large-scale Gulf agricultural investment, including Saudi Star Agricultural Development and the UAE-based Maaza Mango Bottling. At the same time, he stressed more investment and a lot of involvement of the UAE was needed as viewed in comparison with the advantages offered by Ethiopia's potential, its geographic proximity to the Gulf and the interest of Gulf countries in agricultural investment.

During the visit, representatives from Ethiopia and the UAE also held talks on ways of fast-tracking financial cooperation. The newly appointed Ambassador to the UAE, Ambassador Tebeje Berhe and the Director General of Abu Dhabi Development Fund, Mohammed Saif Al Suwaidi, met on Thursday (January 11). They noted with satisfaction the success of bilateral cooperation particularly in financial cooperation and emphasized the need to scale up their collective efforts to put financial pledges into practice on a realistic time table.

Following his meeting with the Minister of Foreign Affairs and International Cooperation, Sheikh Abdullah bin Zayed Al Nahyan, Dr. Workneh also met Ethiopians who were present

at the consular section of the Ethiopian Embassy waiting to collect passports. There are currently an estimated 100,000 Ethiopians living and working in the UAE, a majority of them engaged as domestic workers, though significant numbers are also engaged in professional jobs.

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### ***State Minister Hirut holds talks with the Chairperson of the AU Commission***

State Minister Mrs. Hirut Zemene met with the Chairperson of the African Union Commission, Moussa Faki Mahamat on Tuesday this week (January 9). She welcomed last week's statement by the Chairperson regarding the current situation in the country, and underlined that Ethiopia as a developing country was working to build an advanced economy as well as widen its democratic platform. Commission Chairperson, Moussa Faki Mahamat, had welcomed the announcement made by Prime Minister Hailemariam Dessalegn that the government expressed its desire to see in the future some political leaders currently facing prosecution for being suspected of committing a crime and those sentenced by court might have their charges dropped or pardoned in accordance with the relevant law of the country. He commended the Ethiopian authorities for what he called an "important and farsighted decision", and for their commitment to foster national consensus and widen the democratic space. The Chairperson said these steps would help create a conducive environment for the pursuit and consolidation of the impressive socio-economic gains Ethiopia had made over the past decade and would enhance the country's stability, which, the Chairperson underlined, was of paramount importance for the region and Africa as a whole.

In their discussions, State Minister Hirut noted that Ethiopia as a non-permanent member of the United Nations Security Council was working to ensure full consideration of African security issues; she said a lot could be done in collaboration with African Union Peace and Security Council on security matters of the continent. Acknowledging the critical engagement of African Union on the High-Level Revitalization Forum on South Sudan, the State Minister noted that implementing the agreements signed would be fruitful if the parties did really demonstrate their commitment to establish peace and provide a lasting solution to the conflict. She said failure to carry out full implementation of the peace agreement and the agreement for a permanent ceasefire in South Sudan would have a spillover effect on the whole of Africa. She said now was the time to have serious consultative meetings between regional and international blocks in order to strongly encourage the implementation of the ceasefire by the conflicting parties. .

The Chairperson of African Union Commission, Moussa Faki Mahamat, commended the commitment of Ethiopia through IGAD to take forward the peace process of South Sudan. Recognizing the active and leading role of Ethiopia in the UN Security Council in working together with the other African members of the Security Council and raising security issues in Africa, the Chairperson emphasized that the African Union would continue to work closely with Ethiopia, and other countries, to support peace in Somalia through the work of AMISOM.

He noted that Ethiopia, as a founding member of the African Union, had prompted the pan-African Agenda which has had a major effect on the continent, playing a critical role in the attainment of African development agenda.

The AU Chairperson and State Minister Hirut also discussed the overall preparations for the upcoming 30th Ordinary Session of the Assembly of Heads of State and Government of the African Union (AU) due to take place in Addis Ababa later this month, January 22-29. It will be held under the theme: “Winning the Fight against Corruption: A Sustainable Path to Africa’s Transformation”. The 35th Ordinary Session of the Permanent Representatives’ Committee will be held January 22-23; the 32nd Ordinary Session of the Executive Council will take place January 25-26; and the 30th Ordinary Session of the Assembly of the Heads of State and Government January 28-29.

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### ***AU Technical Committee on Defence, Safety and Security meets in Addis Ababa***

The African Union Specialized Technical Committee on Defence, Safety and Security (STCDSS), chaired by Dr. Mohamed Diane, Minister of Defence of Guinea, concluded its 10<sup>th</sup> ordinary meeting on Tuesday (January 9) in Addis Ababa. The meeting reviewed progress made in implementation of the directives of previous meetings of the STCDSS, particularly the 9<sup>th</sup> meeting held in June last year. The meeting was preceded by the 13<sup>th</sup> ordinary meeting of African Chiefs of Defence Staff and Heads of Safety and Security (ACDSS) on Monday and by a meeting of STCDSS Experts, held last week (January 5-6).

The STCDSS meeting brought together participants from the military, police, and civilian institutions with defence, safety, and security mandates from AU Member States and the Regional Economic Communities and Regional Mechanisms. It confirmed the progress made in the development of the African Standby Force (ASF) and appreciated the efforts of the Independent Panel of Experts on Verification, Confirmation and Validation of ASF pledged capabilities. The operationalization, including the inauguration, on January 5, in Douala, Cameroon, of the ASF Continental Logistic Base was welcomed as a major milestone in the development of the ASF. The commitment of the Government of Cameroon was applauded as an important contribution to the cause of peace and security in Africa. Ministers requested all stakeholders to support the full operationalisation of the ASF and harmonise the activities of various ad hoc coalitions with the ASF Framework. These include the African Capacity for Immediate Response to Crises, the Multinational Joint Task Force (MNJTF) and the Group of Five Sahel Joint Force and the Regional Cooperation Initiative for the Elimination of the Lord's Resistance Army (RCI-LRA).

The meeting paid tribute to African Peacekeepers and victims of violence in Africa and urged AU Member States to continue providing all necessary support to AU Peace Support Operations. It emphasized the need for harmonisation of all efforts by AU Member States to create the requisite conditions for the realization of the AU objective to build a conflict-free Africa, and silence the guns.

Earlier, AU Commissioner for Peace and security, Ambassador Chergui told the African Chiefs of Defence Staff and Heads of Safety and Security that the ASF remained the most glaring gap in the on-going implementation of the African Peace and Security Architecture. He therefore welcomed the progress made since the last meeting including the assessment of pledged standby capabilities in each Regional Economic Community, and the launch of the Continental Logistics Base in Cameroun on January 5. He noted the final stages of the ASF Command, Control, Communication and Information Systems acquisition project should be completed by September, and that progress was being made in finalizing an AU Common Costs Document, on the draft Statute on the Establishment of the AU Special Fund on

Prevention and Combating Terrorism and Violent Extremism in Africa, and the operationalization of the African Union Mechanism on Police Cooperation.

Ambassador Chergui concluded by stressing that African resources should be the primary means to fund peace and security efforts on the continent; sustainable and predictable funding mechanisms by Member States, he said, must be appropriately reserved for Africa to solve its peace and security challenges in line with the principle of African Solutions to African problems.

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### ***Education for refugees in Ethiopia***

A report from the Administration for Refugee and Returnees Affairs (ARRA), responsible for the provision of education for refugees in camps in Ethiopia, said in a report last week that the gross enrolment rate in primary education for refugees has reached 70.5 percent in 2017. Ethiopia currently hosts over 850,000 refugees, most from South Sudan, Somalia and Eritrea, one of the highest numbers in Africa.

According to the ARRA, 177,745 refugees are now enrolled in primary, secondary, pre-school, and alternative education in refugee camps in various parts of the country, attending classes in 58 primary, 18 Secondary, 80 early childhood education and care (ECEC) centers, and 20 alternative basic education learning centers. ARRA was currently working on administering educational centers in refugee camps.

Suleyman Ali, ARRA's Communication and Public Relations Team Leader said the primary education enrolment rate had increased by 8.5% last year over the enrolment in 2016. He said ARRA was providing primary education, health care, protection and food for the refugees. Construction of schools and deployment of qualified teachers are also among the activities that ARRA is engaged. He noted the administration had been able to construct additional 28 blocks of classrooms, with four classes for each room and it was able to employ some 288 teachers including 139 qualified Ethiopian nationals. He said the ARRA had provided training for these teachers. In its efforts to improve educational access for refugees, the ARRA was also cooperating with international organizations including Save the Children and other organizations.

Save the Children said its support covered efforts to improve child care, early childhood education, primary education and alternative basic education. It underlined the importance of education even in emergencies, defining it as a sign of stability, and calling schools as centres of safety and protection. Save the Children stressed the need to build more temporary learning spaces and emphasized that it was working in collaboration with the government, key stakeholders and other development partners to create more space. It noted the need for more teachers and more materials.

In addition to enabling refugees to attend primary education ARRA has also been working on secondary and tertiary school programs for refugees by providing scholarships. The government has been providing scholarships for refugees, mainly those from Eritrean since 2010, but the program was also opened to refugees from South Sudan and Somalia in 2012. The Administration for Refugee and Returnees Affairs said a total of 2,386 refugees had so far joined public universities through the government scholarship program, 514 of them last

year alone. In addition, refugees are also attending technical and vocational education training in Addis Ababa and in Shire and a total of 6,773 refugees have so far enrolled in TVET schools.

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### ***Fitch affirms Ethiopia's rating at 'B'; outlook stable***

The rating agency, Fitch, released a statement at the end of December 2017 affirming Ethiopia's Long-Term Foreign- and Local-Currency Issuer Default Ratings (IDRs) at 'B' with a stable outlook. The issue rating on Ethiopia's senior foreign currency bond was also affirmed at 'B' as were the country ceiling ' and the Short-Term Foreign and Local Currency IDRs. In addition, Fitch estimated Ethiopia's average GDP growth would expand by an average 9.5% over the period fiscal year 2017-2019, well above the 'B' median of 3.5%. The rating declared that "Ethiopia's consistent record of rapid economic growth and future growth potential is a credit strength".

Fitch indicated that major infrastructure projects have been completed and the government was taking steps to curb debt accumulation by state-owned enterprises. It projected that the ratio of aggregate debt of the public sector, including State-Owned Enterprises such as Ethiopian Railway Corporation, to the GDP would remain constant around 57pc. This follows from the government's efforts to mobilize non-debt financing methods, including privatization. It has planned to privatize 20 state-owned companies to stabilize the public-sector aggregate debt. As of March 2017, the national debt, the aggregate debt that the country owes, amounted to 23 billion dollars, a 2.5 billion dollar increase from December 2016. It also forecast that exports would gather pace and the current account deficit would narrow further to 6.6% of GDP in fiscal year 2019. There was a risk that intermittent outlay, in repaying debts, could occur in the future, but a reasonable margin of safety remained.

The report noted that manufacturing exports would strengthen as industrial parks, including the flagship Hawassa Industrial Park now getting under way, would ramp up production, adding that "the coming online of new generation capacities is bolstering exports of electricity". Fitch also noted that the Addis Ababa-Djibouti railway had started operations and this would significantly reduce transport costs for Ethiopia's exporters.

Fitch underlined that net Foreign Direct Investment had risen to US\$4.2 billion in fiscal year 2017 from US\$2.6 billion in fiscal year 2015, so funding a larger share of a smaller Current Account Deficit. This has allowed the public sector to reduce its net external borrowing to US\$2 billion in fiscal year 2017, down from US\$5 billion in fiscal year 2015. This in turn lowered financing requirements and concerns about external debt sustainability.

The report pointed out the National Bank of Ethiopia had devalued the birr by 15% against the dollar in October. Fitch's rating indicated that the devaluation of the exchange rate should contribute to the rebalancing of the economy towards the tradable sector, though this would be conditional on a limited pass-through to domestic inflation, leading to a depreciation of the real effective exchange rate.

It also highlighted that the NBE had tightened its policy stance in conjunction with the devaluation in order to forestall inflationary pressures. The Central Bank had raised the minimum rate on deposits from 5% to 7%, and cut the ceiling on the growth rate of loans to

the non-tradable sector from 22% to 16%. The government has also been taking a series of administrative measures to limit the increase in prices.

The rating report noted that the government was currently developing a legal framework for public-private partnerships to fund investments in the energy and transport sectors. In this connection, it indicated its expectation that the public sector's aggregate debt, including State Owned Enterprises (SOEs), would stabilize at around 55% of GDP over the next two years. As far as SOEs were concerned, Fitch said their debt has declined from 28% of GDP in fiscal year 2016 to 25.8% in fiscal year 2017, and one quarter of this total was owed by the national railway company. Fitch estimates this will reduce further to 24% of GDP in fiscal year 2019. It also emphasized that the government is attempting to curtail additional borrowing by SOEs and has established new mechanisms to monitor their financial commitments.

Overall, Fitch indicates that its rating is supported by strong investment under the fiscal year 2015-fiscal year 2020 Growth and Transformation Plan II and the robust inflows of Foreign Direct Investment. Sturdy investment and sustained urbanization are supporting activity in the construction and services sectors, and industrial supply is expanding, Fitch noted.

Fitch, whose conclusion was “growth has proved to be robust in Ethiopia despite drought and political unrest,” is amongst three international rating companies to rate the sovereign default risk of the country on a yearly basis, the others are Moody and Standard and Poor’s. Moody’s last report gave Ethiopia a B1 Stable rating in its Annual Credit Analysis; Standard and Poor’s rating last April was B /B sovereign ratings affirmed with the outlook stable reflecting expectations that economic performance will remain robust and socio-political tensions would not escalate. It projected Ethiopia’s strong economic performance would continue over 2017-2020.

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### ***Eritrea again designated a Country of Particular Concern over religious freedom***

The US State Department issued its latest annual designation of “governments that have engaged in or tolerated systematic, ongoing, and egregious violations of religious freedom” as “Countries of Particular Concern” (Tier 1) on January 4. In a statement, the State Department said the protection of religious freedom was vital to peace, stability, and prosperity. The designation of Countries of Particular Concern (CPC) was aimed at improving the respect for religious freedom in these countries. The statement said the US recognized that some of these countries were working to improve respect for religious freedom, but others, however, were not. Among these, yet again, was Eritrea one of the ten countries designated as a Country of Particular Concern. The State Department has designated Eritrea as a Country of Particular Concern on a number of occasions, since first doing so in 2004, most recently in October 2016.

A brief response to the designation as a Country of Particular Concern was given by Yemane Gebremeskel, Eritrea’s Minister of Information. He said the US State Department was dwelling on a false narrative which had been “concocted in the first place for political reasons.”

The International Religious Freedom Act of 1998 mandated the State Department to make designations of Countries of Particular Concern and for the U.S. Commission on International Religious Freedom (USCIRF) provide the State Department with recommendations for which countries should be on the list.

The Commission's report for 2017 noted that the Eritrean government continued to repress religious freedom for unregistered, and in some cases registered, religious communities. Systematic, ongoing, and egregious religious freedom violations included torture or other ill treatment of religious prisoners, arbitrary arrests and detentions without charge, a prolonged ban on public religious activities of unregistered religious groups, and interference in the internal affairs of registered religious groups. The situation remains particularly grave for unregistered Evangelical and Pentecostal Christians and Jehovah's Witnesses. The government also dominates the internal affairs of the Coptic Orthodox Church of Eritrea, the country's largest Christian denomination, and suppresses the religious activities of Muslims, especially those opposed to the government-appointed head of the Muslim community.

It was in light of these violations, USCIRF again found in 2017 that Eritrea merited designation as a "Country of Particular Concern." It, therefore, offered series of recommendations to the US government. These included efforts to use continuous bilateral and multilateral diplomatic channels to urge the government of Eritrea: to release unconditionally and immediately detainees held on account of their peaceful religious activities, including the Orthodox Patriarch Antonios; to end religious persecution of unregistered religious communities; grant full citizenship rights to Jehovah's Witnesses; provide for conscientious objection by law in compliance with international human rights standards; bring national laws and regulations, including registration requirements for religious communities, into compliance with international human rights standards; to bring conditions and treatment of prisoners in line with international standards; and to allow unrestricted visits by the United Nations Special Rapporteur on the situation of human rights in Eritrea, the United Nations Special Rapporteur on freedom of religion or belief, the UN Working Group on Arbitrary Detention, and the International Red Cross.

The Commission's recommendations to the US government also included a call for the US to ensure that any development assistance, if resumed, should be directed to programs that contribute directly to democracy, religious freedom, human rights, and the rule of law; to support the renewal of the mandate of the UN Special Rapporteur on human rights in Eritrea; and to encourage unofficial dialogue with the Eritrean authorities on religious freedom issues by promoting a visit by U.S. and international religious leaders, and expand the use of educational and cultural exchanges.

These recommendations were based on the US Commission on International Religious Freedom's annual report on Eritrea. This pointed out there were no reliable statistics of religious affiliation in Eritrea, though it thought Christians comprised approximately 63% of the population and Muslims some 37%. It noted the requirement for full-time, indefinite, and poorly paid national service, covering military, development, or civil service components, for all between the ages of 18 and 70. All Eritreans were required to undertake military training and there was no alternative for conscientious objectors. It also noted that human rights groups had reported that persons who refused to participate in national service were detained, sentenced to hard labour, abused, and had their legal documents confiscated; and that religious practice was prohibited in the military with conscripts severely punished if found with religious materials or participating in religious gatherings.

It stressed that there were very few legal protections for freedom of religion or belief in Eritrea, and those that did exist were either not implemented or were limited by other laws or in practice. The (now defunct) constitution did provide for freedom of thought, conscience, and belief, guaranteed the right to practice any religion, and prohibited religious discrimination. It was, of course, never implemented although ratified by the National Assembly in 1997. President Isaias did announce in 2014 that a new constitution would be drafted. Nothing more has been heard of that promise.

In 2002, the government imposed a registration requirement on all religious groups other than the four officially recognized religions: the Coptic Orthodox Church of Eritrea; Sunni Islam; the Roman Catholic Church; and the Evangelical Church of Eritrea. All other religious communities are required to apply annually for registration with the Office of Religious Affairs. This means providing a description of the group's history in Eritrea; detailed information about any foreign sources of funding, leadership, assets, and activities; and an explanation of how the group would benefit the country or was unique compared to other religious communities. No other religious communities have in fact been registered though the Baha'i community, the Presbyterian Church, the Methodist Church, and the Seventh-day Adventists applied in 2002. They remain unregistered and therefore, like all unregistered religious communities, cannot legally practice their faith, hold services or other religious ceremonies. Most churches of nonregistered religious communities have been closed and members of unregistered communities that continue to practice their faith are punished with imprisonment and fines.

The report suggested that between 1,200 to 3,000 persons were imprisoned on religious grounds in Eritrea, and during the reporting period, there were incidents of new arrests. It underlined that religious prisoners were routinely sent to the harshest prisons and received some of the cruellest punishments. Persons detained for religious activities were not formally charged, nor permitted access to legal counsel, accorded due process, or allowed family visits. Nor were they permitted to pray aloud, sing, or preach, and religious books were banned. Witnesses released from prison report being pressured to recant their faith, forced to sign statements that they would no longer gather to worship, and warned not to re-engage in religious activities.

The report indicates that Pentecostals and Evangelicals comprised the majority of religious prisoners with several of their pastors detained for more than 10 years. President Isaias issued a decree in 1994 revoking Jehovah's Witnesses' citizenship for their refusal to take part in the referendum on independence or to participate in national service. Since then they have been barred from obtaining government-issued identity and travel documents, government jobs, or business licenses. This denies them legal recognition of marriages or land purchases. They are regularly arrested and imprisoned for expressing their faith to others. As of December 2016, the Eritrean government held in detention 54 Jehovah's Witnesses without charge.