



AGI CONSTRUCTING THE FUTURE AFRICA
 Abyssinia Group of Industries

Manufacturer of Rebars, Angles, Channels, Flat Bars & Round Bars. Introducing cut & bend service for rebars.

Contact & Address
 Tel: +251 116 63 97 55/ 251 116 63 51 22/25
 Mob: +251 962 009 072/ +251 949 440 868
 +251 911 45 9790
 E-mail: sales@aglethiopia.com
 4th Floor, Dabi Building, Bole road Addis Ababa Ethiopia



Photo: Dange Abera

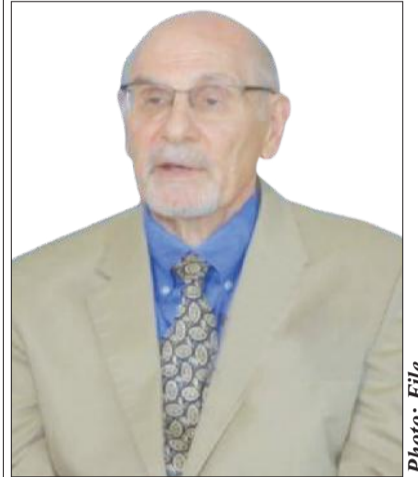


Photo: File

Defaming Ethiopian doesn't hold water: Lawrence Freeman

BY YESUF ENDRIS

ADDIS ABABA- Defamation campaigns against Ethiopian Airlines Group are purely political and could not benefit the accusers themselves, said a political-Economic Analyst for Africa.

In an exclusive interview with *The Ethiopian Herald*, Political-Economic Analyst, Lawrence Freeman said that the ongoing defamation campaigns against the Ethiopian Airlines Group are tested out with the interest of the region.

See *Defaming ... page 3*

“Lucy stands testimony of origin of humanity”: Premier

• Nation marks 50th Lucy Anniversary

BY ASHENAFI ANIMUT

ADDIS ABABA – Lucy is not just a relic of the past, she stands testimony of Ethiopia’s place as the origin of humanity, so Prime

Minister Abiy (PhD) remarked.

The 50th Gold Anniversary of Lucy celebrated yesterday with the attendance of senior government officials, East African paleontologists and other personalities.

Speaking at the occasion, Prime Minister Abiy Ahmed (PhD) said that Lucy’s discovery was a groundbreaking event that captivated the scientific community and the world at large providing invaluable insights into the

See *“Lucy stands ... page 3*

Ethiopia overhauls market-based exchange rate to revitalize economy

BY TSEGAYE TILAHUN

ADDIS ABABA- The National Bank of Ethiopia (NBE) has announced the implementation of a market-based foreign exchange rate regime, aiming to tackle longstanding economic structural problems.

NBE Governor Mamo Mihretu, in a press briefing yesterday, stated that this shift introduces a competitive, market-driven determination of the exchange rate, addressing a persistent distortion within the Ethiopian economy. The implementation will be guided by a new foreign exchange directive.

See *Ethiopia overhauls ... page 3*



Ambassador Ibrahim Endris



Tilahun Erduno (PhD)



Ambassador Nebil Mahdi

Nile basin commission establishment moves into high gear

BY ASHENAFI ANIMUT

Since the initiation of the Nile River Basin Cooperative Framework Agreement (CFA) in 2010, Ethiopia has faced significant diplomatic challenges with

few mechanisms to address issues with downstream countries.

Despite Ethiopia’s contribution of over 86% of the Nile’s waters and its calls for cooperative management of these shared resources, Egypt and Sudan have largely

ignored these appeals.

However, a significant shift occurred recently when the South Sudanese Parliament joined the CFA, aligning with Ethiopia, Rwanda, Tanzania, Uganda, and Burundi.

See *Nile basin ... page 3*

News



Ethiopian soars to 7.02 bln USD in revenue

- Achieves major milestones, set to build new hub in Bishoftu

BY BETELHEM BEDLU

ADDIS ABABA—Ethiopian Airlines announced it has generated 7.02 billion USD in the 2023/2024 fiscal year, marking a 14% increase from the previous year.

At a media briefing, Ethiopian Airlines Group CEO Mesfin Tasew detailed that five billion USD came from passenger services and 1.65 billion USD from cargo.

The airline transported approximately 17.1 million passengers, with 13.4 million international and 3.7 million domestic passengers, showing a 23% increase in flight performance compared to last year. However, cargo revenue declined by 8% due to reduced international cargo capacity. The airline logged over 577,746 flight hours, a 19% rise from the previous year.

Mesfin highlighted the addition of five new international destinations, bringing the total to 139, while domestic destinations reached 21. He also announced that the construction of new airports in Yabelo, Mizan Aman, Gore Metu, Negele Borena, and Debre Markos would be completed within six to twelve months. New airport projects in Wolayita Sodo, and terminal constructions in Shire, Dembi Dolo, and Nekemete, are set to commence next year.

The airline invested over 458 million USD in capital projects and undertook corporate social responsibility initiatives worth 563 million Birr, including medical support, food donations, and housing projects.

Plans are underway to build an airport in Bishoftu town within 18 months, with designs and preliminary activities already

in progress. Additionally, infrastructure projects in Gode, Jinka, and Robe are expected to be completed within six months.

Ethiopian Airlines trained over 1,745 professionals in fields such as piloting, cabin crew, and technical support, and is recruiting from 22 cities across the nation.

Challenges such as instability, fuel shortages, restricted flights, high taxes, and a lack of spare parts persist. Addressing allegations, the CEO mentioned recent compliance issues with Eritrean Civil Aviation and the handling of UN peacekeeping troops in accordance with international laws. He also clarified an incident involving Somali passengers, emphasizing adherence to boarding protocols and passenger accommodation practices.

Plagiarism software to hone scientific research skills: AAU

BY MISGANAW ASNAKE

ADDIS ABABA - The newly launched electronics resources and research intelligence tools are curial to check plagiarism thereby increasing quality of research and properly evaluate scientific articles, Addis Ababa University (AAU) said.

To achieve this, the university has made agreement with foreign company which will last for three years and spent 2.7 million USD for this plagiarism check software.

During the launching and awareness creation day organized in collaboration with partners and stakeholders, AAU Chief Librarian and Chairperson of Consortium of Ethiopian Academic and Research Libraries (CEARL), Melkamu Beyene (PhD) stated yesterday that issues targeting at equipping Ethiopian scholars with necessary tools to enhance their research capabilities thereby contributing to nation's scientific advancement and developing research in academics are scrupulously underway.

Software helps to identify quality of research, its originality which is done by researcher in good way, the university said.



“The software also tracks all documents how many books publish per year, how many persons read it and how much referenced in policy documents and provides the university with means to sort out weakness and strength.

All masters and PhD students' thesis must pass a plagiarism check by a suitable software tool before submission of the same to the University for Evaluation. After this, thesis certificate will be submitted to department by checking its originality,” he opined.

According to Melkamu, AAU bought 100,000 e-books, 5,000 journals, and 28,000 plagiarism detection licenses plus

students access it. Other 14 Ethiopian public universities are working in collaboration with AAU on this software .

He added that AAU has entered partnership with publishers and solution providers to have access to electronic resources and research intelligence tools. University to do better it has made possible with public institutions, CEARL and ministry of education.

In Ethiopia, plagiarism checker has been used in 19 institutions, 16 journals and books of some institutions and some 14 institutions have been used research intelligence tools, he said.

South Korea reinforcing diplomatic ties with Ethiopia

- Minister Kang Jung to visit Ethiopia

BY GIRMACHEW GASHAW

ADDIS ABABA—In a move to reinforce the enduring partnership between Korea and Ethiopia, South Korea's Minister of Patriots and Veterans Affairs, Kang Jung-ai, is expected to officially visit Ethiopia for three days as of August 5th.

Minister Kang is scheduled to meet with senior Ethiopian officials responsible for veterans' affairs to strengthen the mutual commitment to veterans' welfare and bilateral cooperation between the two countries, Ministry of Patriots and Veterans Affairs of the Republic of Korea International Spokesperson Seongwon Lee said.

During the visit, the Minister will pay respects at the Ethiopian Korean War Monument and Trinity Church, where Emperor Haile Selassie rests, to honor the historical bonds between Ethiopia and Korea.

The Minister will host a special luncheon for Korean War veterans and their families in Addis Ababa, where she will present scholarships and honorary funds. The luncheon will also feature a performance by the Kagnew Choir, descendants of the Kagnew Battalion who fought bravely in the Korean War.

According to Lee, Minister Kang is also going to visit the MCM Korea Hospital which was established with support from Korea and provides medical care to Ethiopian veterans, offering comprehensive medical check-ups and treatments tailored to their needs, he said.

During her visit, Minister Kang will explore the LG-KOICA Hope TVET College to encourage descendants of Korean War veterans currently undergoing training. This institution, established in collaboration between LG Electronics and the Korea International Cooperation Agency (KOICA), offers tuition-free training in Electrical Engineering and Information and Communication Technology (ICT) to Ethiopian youth, particularly descendants of Korean War veterans, according to Seongwon Lee.

This visit follows the recent Korea-Africa Summit 2024, where the two parties agreed to bolster bilateral relations. Minister Kang's visit not only commemorates the sacrifices made during the Korean War but also reinforces the enduring partnership between Korea and Ethiopia, it was learned.

News

Defaming *Ethiopian* doesn't hold...

According to him, the recent smear campaigns against the Ethiopian Airlines by a few individuals from some parts of the region and beyond are purely political, not economically helping even the fault finders themselves. "It would make no sense," he said.

"They do not really test out the interest. There has been a consistent effort which I have been fighting against for many years." Certain political forces, ruled by "international order," are perpetrating to destabilize Ethiopia and the whole Horn of Africa region, he stated.

In fact, the war that was launched in Northern Ethiopia was to divide up and break up the country and to carry out a regime change. The effort to destabilize Ethiopia is continued, Freeman indicated.

The Airlines supported by the government, is a business group. Therefore, one of the reputations is the service it provides to passengers. "I think they (Ethiopian Airlines) are voted number one in Africa,"

he highlighted.

The Airlines is practicing economic and political integration by its expansion across the continent which grows every year while aspiring most ambitious goals, he said.

Speaking about his experiences regarding the Airlines, Freeman stated that he has been traveling with Ethiopian Airlines for many years now. Airlines is a huge benefit in many ways to Ethiopia and the Ethiopian economy and it is flying throughout the continent, he noted.

The Ethiopian has been recognized as the number one airliner in Africa for seven consecutive years. "I think there is much more potential that can be realized in Africa," he emphasized.

To him, Ethiopian Airlines having 136 international passenger destinations; 63 of them are in Africa, is probably a major airliner from Addis to reach out other African countries with 270 flights per

day. "So, this gives you a sense of how significant Ethiopian is," the Analyst remarked.

The revenue from Ethiopian Airlines is seven billion dollars, which clearly represents a very significant impact on country's economy, according to Freeman.

"I got an extensive tour of Ethiopian Airlines a couple of years ago during one of my trips to Addis Ababa. And what is interesting to me is that when they took us into the area where they repair engines and repair the planes."

For Freeman, this is a huge machine tool capability. "I think this gives Ethiopia leg-up in a manufacturing capability because it really has a significant amount of machine tool potential that comes out of this gigantic Airlines capability," the analyst said, while suggesting that the use of the manufacturing capacity would be the next breakthrough for Ethiopia and Ethiopian Airlines.

Ethiopia ...

The governor further noted that this policy change is expected to establish a modern macroeconomic framework, transform the investment and trade environment, boost productive capacity and productivity growth, and enhance public sector capabilities.

Since 2018, Ethiopia has been undergoing extensive economic reforms to address inherited challenges such as debt burden, inflation, unemployment, slow structural change, low sector productivity and competitiveness, poor development project performance, and resource mismanagement.

The reform measures aim to correct foreign exchange distortions, strengthen the financial sector, control inflation, increase tax revenue, improve government investment efficiency, ensure government debt sustainability, enhance banking sector competitiveness, and improve the business and investment environment, Mamo elaborated.

The government has outlined key strategic directions to ensure the effective implementation of the macroeconomic reform program, aligning major policy measures with long-term and medium-term national development plans. This reform is also expected to enhance Ethiopia's attractiveness to foreign investors.

Under the new regime, banks can now buy and sell foreign currencies at freely negotiated rates, with the NBE making limited interventions to support the market initially and only if justified by disorderly conditions, the governor remarked.

The Commercial Bank of Ethiopia reported a buying rate of 74 and a selling rate of 76 Birr per 1 USD. The U.S. Embassy in Addis Ababa noted that adopting a market-based foreign exchange system is a challenging but necessary step for addressing Ethiopia's macroeconomic issues, encouraging collaboration with development partners to support the Ethiopian people and progress towards a more free and robust economy.

Nile basin commission establishment ...

This milestone underscores Ethiopia's vigorous and effective water diplomacy, as recognized by experts in the field.

Ambassador Ibrahim Endris, a researcher on trans boundary rivers, told the Ethiopian Press Agency (EPA) that the CFA's ratification by riparian countries marks a significant diplomatic achievement for Ethiopia. This agreement aims to establish a balanced framework for equitable and sustainable development of the Nile waters, benefiting all riparian nations, particularly South Sudan.

Amb. Ibrahim said, "South Sudan's signing helps address Ethiopia's longstanding demands for fair water use and represents a significant diplomatic victory on the global stage." Moreover, the binding agreement challenges Egypt's historical claims upheld by the colonial-era agreements of 1929 and 1959, which granted Egypt and Sudan

extensive control over the Nile waters.

The scholar further emphasized that these colonial agreements marginalized South Sudan and favored Egypt, a dynamic that the new CFA seeks to rectify. Recognizing Ethiopia's major contribution to the Nile's flow, he underscored the importance of global acceptance of this cooperative document, which has been under deliberation for over two decades.

Sharing the above rationale, Tilahun Erduno (PhD) from Adama Science and Technology University praised the CFA as a substantial diplomatic victory for Ethiopia. He pointed out that this development challenges Egypt's historical dominance over the Nile and encourages greater sovereignty and cooperation among the basin countries.

Tilahun urged all Ethiopians and diplomatic missions to continue their

efforts until the CFA becomes a globally binding law, thus clarifying the rightful use of the Nile River basin.

Ethiopian Ambassador to South Sudan, Nebil Mahdi, said that South Sudan's recent ratification has laid a robust foundation for the establishment of the Nile River Basin Commission, highlighting the embassy's dedicated efforts over the past three years. He praised South Sudan's parliamentary decision, noting its potential to benefit over 400 million people across the riparian countries.

Ethiopia remains committed to securing its national interests through a win-win approach and equitable rights, despite Egypt's persistent opposition and efforts to prevent South Sudan from signing the agreement. The CFA is expected to come into force in sixty days, marking a new chapter in Nile Basin cooperation.

"Lucy stands testimony of origin..."

evolution of life on Earth.

It addressed many questions while prompting new inquiries that continue to drive research and exploration, he added.

Praising Prof. Donald Johanson, who discovered Lucy in 1974, and Prof. Yohannes who have discovered four out of thirteen discoveries, the premier underscored that the discoveries have fueled many academic papers, documentaries and educational programs.

"It has become a cultural landmark attracting visitors from all corners of the globe. While launching the anniversary, it is trustworthy to recognize that Africa as a continent is the origin of humanity."

Providing a nearly complete record spanning over seven million years and the numerous stone tools that have been in Ethiopia provide insights into the use of early human tools as positions Ethiopia as a birth place of early technological and cultural revolution, the Premier noted.

Moreover, he said "Ethiopia is the birthplace of many remarkable contributions including the origin of coffee, home for the source of the Blue Nile. It has also 17 tangible and intangible UNESCO world heritages highlighting its cultural and historical legacy."

Also, Ethiopia has also been a beacon of freedom and independence inspiring the rise of Pan-Africanism and establishing Addis

Ababa as a diplomatic capital of Africa, he added.

Given its exceptional natural assets, he elucidated that the government has given emphasis to the tourism sector as a key driver of the country's economic prosperity.

Indeed, the country has made notable strides and developed the sector by investing a lot to the tourism infrastructure and creating eco-friendly and sustainable new destinations via the dine initiatives which testify its firm commitment to sustainable tourism aiming to place Ethiopia on every travelers bucket list.

"Lucy is not just a relic of the past, she stands testimony of Ethiopia's place as the origin of humanity. Its (Lucy's) story is far

from finished and the remains much more to learn," PM Abiy underlined.

Founder of Lucy, Prof. Donald Johanson for his part remarked that: "Ethiopia has a special place around the world, especially for stunning contributions to the understanding of how we became human."

Prof. Donald said, "Dinkesh or Lucy ignited global interest and supported human origins during its reappearance. It has become an icon and benchmark by which all other discoveries are judged."

For her part, Tourism Minister Ambassador Nassise Chali emphasized that this finding opens new chapters in the study of human origins and makes Ethiopia center of gravity for human origin scientists

Opinion

Ethiopia's burgeoning global diplomatic influence

BY ADDISALEM MULAT

It is common knowledge that Ethiopia has sustained to be the cornerstone in the Horn of Africa and beyond. It is true that since time immemorial the country has been undertaking endeavors with a focus on fast-tracking regional and continental amalgamation. Apart from putting a wide spectrum of effective strategies into practice, Ethiopia has been going to the ends of the earth to take the country to the next level of achievement.

In point of fact, Ethiopia's diplomatic expedition has been demonstrating the country's centuries old diplomatic voyage. On the heels of the country's diplomatic achievements, Ethiopia has been receiving a pat on the back from most nations worldwide.

In the course of the 36th regular session of Ethiopian parliament, Prime Minister Abiy Ahmed (PhD) on the subject of diplomacy said, "Our diplomacy is based on mutual growth and cooperation. We never exploited Sudan's situation to our advantage. Sudan has been in turmoil and the government has been unable to pay the bills of Ethiopia's power supply, we have never cut the electricity supply since we believe in brotherhood. We cannot abandon our brothers during this difficult time. We could have taken back the land invaded by Sudan had we wanted to take the situation in Sudan to our advantage.

On top of that, the Premier has elucidated about Ethiopia's diplomatic policies and endeavor. He said that, Ethiopia is exercising Neighbor-oriented diplomacy that is cemented on collaboration and mutual development. The Ethiopian Government has always implementing peaceful approaches in terms of any dispute with its neighboring nations. The premier mentioned the government's determination to resolve disputes with Sudan and bring internal peace to Sudan through negotiations.

In the same way, he spoke to the parliament that Ethiopia's support to Somalia's integrity and sovereignty has never been faltered. The government in Somalia should not waste its money shuttling across the world. It only takes an hour's flight to discuss with Ethiopia and settle the matter on the current adversary.

Speaking of the Pretoria agreement and government's actions towards its implementation, he elaborated that the agreement has become a means to cultural shift regarding the way of resolving conflicts in Ethiopia. The premier also stated that the Pretoria Agreement has resulted in silencing the guns and to permanent ceasefire in addition to the starting of services including banks, airlines, and telecom.

"We have started returning war-displaced citizens to their home villages according to the agreement. This is a special step in the accord. The Pretoria Agreement needs to be carefully managed so that it does not backfire and no more people die. That is the way we are diligently working on. Most of the time, there are certainly forces that push toward conflict. We do not want conflict. We want to put our energy and time into development."

Several diplomatic successes related to national economic and political interests have been registered, according to MoFA statement.

Briefing journalists recently, MoFA Spokesperson Ambassador Nebiyu Tedla stated that these successes were achieved amid regional and international challenges.

Ethiopia has marked a series of significant diplomatic achievements over the past fiscal year. Key areas of progress include neighborhood diplomacy, BRICS membership, setting agenda on the sea access, migrant repatriation, multilateral and bilateral diplomacy, and foreign direct investment, according to the spokesperson.

In strengthening its international presence, Ethiopia participated in 501 international discussions and bilateral events. About 195 international diplomatic decisions, compliant with Ethiopia's stance, were passed, he noted.

Several joint meetings, including leaders' summits, ministerial forums, and high-level meetings, were held in Ethiopia. Twelve agreements in education, tourism, economy, and infrastructure were signed between Ethiopia and neighboring countries, he added.

Under the frameworks of the African Union and the United Nations, Ethiopia's diplomatic journey was also successful. The Pretoria peace agreement received further support from international organizations, he remarked.

High-level conferences held during the year contributed to the development of conference tourism. About 29 African leaders and high officials visited Ethiopia for bilateral purposes, he added.

In total, 71 bilateral agreements were signed; 19 of these were with African countries, while the rest were with countries outside Africa, he said.

He further remarked that international funders have been supporting Ethiopia's developmental and humanitarian missions. For example, the European Union donated 35 million Euro for green energy development. The governments of the United States and the Netherlands have also shown their support for demobilization, disarmament, rehabilitation, and agricultural programs, respectively.



He also highlighted the registration of three Ethiopian intangible heritages by UNESCO as a great diplomatic success in tourism diplomacy.

Ethiopia's membership in BRICS is another notable achievement. Amid regional challenges and global geopolitical shifts, Ethiopia's diplomatic mission has successfully navigated complex negotiations, secured critical partnerships, and advanced national interests on the global stage, he added.

"Ethiopia also set its agenda related to access to the sea; it will not be seen as taboo as before," he added.

Ethiopia's diplomacy, which prioritized peace and shared development, is essential to the attainment of the common goals of the Horn of Africa (HoA) countries, an expert in the issue said.

Speaking to the Ethiopia Press Agency (EPA), Dila University Peace and Security Studies Lecturer Yenenesh Temesgen (PhD) lately stated that the country has retained its longstanding principle of peaceful co-existence with neighboring states and nonaggression. "Accordingly, the successive African leaders have been prioritizing relations with HoA countries and promoting a peaceful and tolerant approach in dealing with the latter."

According to her, efforts should be made to fight the destructive attempts of some interest groups that have been engaged in straining Ethiopia's relations with the rest of HoA countries. "Therefore, Ethiopia should make adequate preparations to withstand the pressures that are arising from its seaport aspiration and devising strong diplomacy that involves ideas from different directions."

She also stated that, Ethiopia has employed both the hard and soft diplomacy that makes the country a symbol of victory and unity in the African continent. Accordingly, Ethiopia won the Battle of Adwa with hard diplomacy and showed its capacity to repel aggression. The country's soft diplomacy is also helping African countries to forge economic unity.

Ethiopia has gone beyond handling its own diplomacy in peaceful and careful manner, and the peace efforts it exerts when disagreements arise in neighboring states are praiseworthy. The country's landlocked status has forced the country to pay heavy security and economic price and its sovereign access to the sea would enable it to benefit from the geo-politics and become active player in the region.

It is expected from every citizen to work for better Ethiopia and by supplementing its peace and development endeavors, they need to help the country to become the

leading player in the HoA's socio-economic and political affairs, the expert remarked.

Prioritizing economic diplomacy has brought about surge in Foreign Direct Investment (FDI) flows to Ethiopia, Ministry of Foreign Affairs (MoFA) announced.

The Ministry of Foreign Affairs recently disclosed that training being provided to newly appointed ambassadors will enable them to understand the dynamics of global diplomatic circumstances and promote national interests with efficiency and determination, according to information obtained from local media.

The State Minister of Foreign Affairs, Ambassador Bertukan Ayano, briefed the media regarding the training being underway for newly appointed ambassadors commenced on July 11, 2024. Pre-deployment training is being given to the newly appointed ambassadors on various agenda so as to help them effectively promote the national interests of Ethiopia.

The training covers ranges of national, regional, continental and international issues with respect to Ethiopia's national interests including economic diplomacy, Ethiopia's role in multilateral forums, diaspora policy, media relations among other vital issues.

The State Minister further said that, the training will enable them to serve the country with determination and efficiency.

By realizing Ethiopia's preparedness in economic diplomacy, media relations and digital diplomacy are vital instruments to protect the interests of the country in the dynamics of world diplomacy, she added.

Moreover, she noted that newly appointed ambassadors are expected to demonstrate patriotism and acquire knowledge to promote national interests.

Speaking to the Ethiopian Press Agency (EPA), MoFA Public Diplomacy Director-General Ambassador Abdu Yasin stated that, the United Nations Security Council presented Ethiopia as its agenda 15 times in the last three years. Owing to meticulous public diplomacy at the international level, it was possible to thwart sanctions intended to be imposed on the country.

In the last six years, a lot of work has been done in public diplomacy, and one of the notable achievements is Ethiopia's accession to the BRICS economic bloc. Also, the people-to-people platforms have made great contributions in enabling the international community to know Ethiopia's objective reality.

Editor's Note: The views entertained in this article do not necessarily reflect the stance of The Ethiopian Herald

Editorial

Measure sets economic wheel on faster motion

In the era of lengthily dynamic world and ever-changing socio-economic trajectory, putting a range of social, economic and even political measure in place is highly foreseeable. Hence, sound as well as timely steps taken when compounded with transparency in all practices ushers in the path of sustainable development.

The newly declared macro-economic reform program in Ethiopia is strongly believed to be instrumental in helping the national economic growth accelerate in a sustainable manner, promoting entrepreneurship and encouraging innovation; thereby creating jobs the bulging youth population.

The reform is also of paramount importance in fostering the homegrown economy, bolstering production and productivity as well as building government's capacity.

Such a positive trend needs to be backed with institutions that have highly efficient implementation capacity, transparent mode of running activities and efficient use of resources. Equally, the forex liberalization reform announced by National Bank of Ethiopia (NBE) is quite useful in allowing foreign exchange to be retained by exporters and commercial banks and thus substantially boosting foreign exchange supplies to the private sector. The reform introduces a competitive, market-based determination of the exchange rate and addresses a long-standing twist within the Ethiopian economy.

True, reform helps Ethiopia have big gain in terms of attracting investors, seizing the means for debt disbursing and getting inflation dwindled. Unequivocally, the current reform/macro-economic policy has recognized that Ethiopia should eventually move towards a market-based foreign exchange system as its economy grows in complexity and evolves over time.

Yes, doors are open for foreign investors and ways for promoting economic growth. Such a promising step would bear fruits if backed by strong working culture, government transparency and coming up with capable institutions to adeptly implement activities.

Ethiopia needs more supports from international financiers. Prime Minister Abiy Ahmed (Ph.D) recently told lawmakers that around USD 10.5 Billion are being negotiated from the IMF and the World Bank. The previous activities of the government brought encouraging results. For instance, according to the prime minister, the country's GDP has grown to 205 billion USD from previous 86 billion USD. And if Ethiopia secured the stated financial support from IMF and the World Bank, its economy show an unprecedented performance.

In principle, economic reforms help generate higher income, productivity, and development if properly handled, and the Ethiopian government has to attach due emphasis to such a lucrative move. Of course, it has been working towards that end. For instance, the government is implementing numerous economic reforms to address longstanding problems, including debt burden, inflation, unemployment, and low productivity thereby coming up with a difference in all aspects. The opening of forex bureaus outside of banks and other measures taken will have layers of benefits.

Interestingly, in countries which are knotted with increased unemployment, declining productivity and weak public finances like ours, adopting policies of fiscal consolidation and structural reform in goods, labor and financial markets is truly a timely step. Since the current system has given rise to large-scale illicit import-export of Ethiopia's invaluable possessions and diverted the country's foreign exchange earnings away from the formal banking system, taking measures like this can be an incomparable move. When programs or actions are scrupulously applied, the leeway benefiting finger counted actors fighting for unlawful enrichment will be prettily clogged. Besides, the reform in various areas has indeed opened up numerous opportunities for the private sector and for driving future growth at national level.

In a nut shell, the macro-economic reform program targets at sustaining the economic growth, encouraging innovation and creating suitable trade at a competitive scale as well as helping homegrown economic activity keep its increasing momentum. Besides, the forex reform is essential to address acute foreign exchange shortages, enhance export competitiveness, attract Foreign Direct Investment (FDI), and level the ground for the private sector to play a profound role in the country's economic activity.

Opinion

Discharging great global corporate responsibilities beyond commercial services

BY SOLOMON DIBABA

Ethiopian Airlines played a significant role in preventing the spread of COVID-19 and supporting global efforts during the pandemic.

Ethiopian Airlines Group conducted numerous repatriation flights to bring stranded citizens back to their home countries when many global airlines had suspended operations and were totally out of business. Hundreds of airlines across the world lay off their staff but none of the staff of the airlines were laid off. The airline facilitated the transportation of essential humanitarian aid, including medical supplies and personnel, to various countries in need.

Ethiopian Airlines' Group cargo division transported critical medical supplies, including personal protective equipment (PPE), ventilators, and COVID-19 testing kits, to different parts of the world. Moreover, the airline was instrumental in distributing COVID-19 vaccines, leveraging its extensive cargo network and state-of-the-art cold chain facilities to ensure the safe and timely delivery of vaccines.

The airline implemented stringent sanitation protocols across its fleet and facilities, including regular disinfection of aircraft and ground facilities. Ethiopian Airlines Group introduced measures such as mandatory mask-wearing, temperature screenings, and social distancing on flights and in airports to protect passengers and staff from contacting COVID-19 virus on all flights in the advent of the spread of the pandemic across the world.

The EAL collaborated with international organizations like the World Health Organization (WHO) and the United Nations to support global health initiatives and deliver aid to affected regions. Ethiopian Airlines worked with UNICEF to facilitate the transport of medical supplies and vaccines as part of the COVAX initiative aimed at equitable vaccine distribution.

To meet the high demand for cargo transport, Ethiopian Airlines converted several passenger aircraft into freighters, significantly increasing its cargo capacity. The EAL Group developed advanced cold chain logistics solutions to handle temperature-sensitive cargo, crucial for vaccine transport.

The EAL Group regularly conducts various environmental and philanthropic activities. Ethiopian Airlines participates in tree planting and reforestation projects as part of broader efforts to combat climate change and promote environmental sustainability. The airline has implemented various green initiatives to reduce its carbon, such as investing in fuel-efficient aircraft and sustainable aviation practices.

Ethiopian Airlines has a history of providing support during natural disasters by delivering aid and relief supplies to affected areas. For example, the airline was instrumental in delivering aid to victims of drought and famine in the Horn of Africa. The airline has been involved in efforts to support refugees by facilitating the transport of essential supplies

and aiding in repatriation efforts. Ethiopian Airlines contributes to the development of community infrastructure, including schools, health centers, and clean water projects, particularly in rural areas. The airline supports programs aimed at empowering youth and women through education, training, and entrepreneurship initiatives

Recently the Ethiopian Airlines took over the responsibility of managing Gorgora Resort under Ethiopian Skylight Hotel in an agreement ceremony held at Ethiopian Skylight Hotel.

Moreover, Ethiopian Airlines recently took the responsibility of managing Halala Kela Resort, Wonchi Eco Lodge and Chebera Churchura Elephant Dana Lodge which were built in Dine for Ethiopia Project and is working tirelessly to play its part in the development of Ethiopia's tourism industry.

Earlier Ethiopian Airlines has unveiled plans to initiate the construction of Africa's largest airport, a monumental project estimated to cost USD 7.8 billion. This ambitious endeavor marks a significant milestone for the national carrier as it ventures into the realm of infrastructure development.

Expanding across 35 square kilometers in the picturesque locale of Obosirraa, near Bishoftu city in the Oromia region, the expansive airport city is set to redefine air travel infrastructure in Africa. The grand design includes provisions for 300 aircraft parking spaces and four air runways, poised to accommodate the burgeoning demand for air travel.

Notably, the existing terminal, operating at full capacity, can cater to approximately 25 million passengers. However, with the advent of the new airport, passenger capacity is projected to quadruple, ensuring enhanced operational efficiency and seamless travel experiences for millions of passengers annually.

The construction timeline spans five years, divided into two distinct phases, with meticulous planning to ensure optimal utilization of resources and adherence to stringent quality standards. Additionally, plans are underway to construct an expressway linking the airport city to the bustling Bole International Airport, facilitating seamless connectivity and streamlined logistics.

With passenger numbers steadily on the rise, Ethiopian Airlines recognizes the imperative of expanding infrastructure to meet growing demands. The new airport complex is envisioned to feature state-of-the-art amenities, including modern hotels, duty-free shopping zones, and a cutting-edge cargo logistics center, further bolstering Ethiopia's position as a key aviation hub in Africa.

Despite the most conspicuous achievements that the EAL Group has contributed to Ethiopia, Africa and the world, it was not spared from multiple sets of false propaganda but the author believes that this could only encourage the airlines for more successes in the future.

Editor's Note: The views entertained in this article do not necessarily reflect the stance of The Ethiopian Herald



The Ethiopian Herald

Established in 1943

Published daily except Mondays
By The Ethiopian Press Agency

Office of the CEO

Tel. 011-126-42-22

Fax. 251-011-156-98-62

email- epa@press.et

Advertisement and Dist.

Department

email: etpresspromotion@gmail.com

Tel. 011-156-98-73/011-811-13-15

Telegram :- 0976084707 - press

Editor-in-Chief: Worku Belachew

email- workubelachew@press.et

Address- Nifas Silk Lafto Sub-city

Woreda - 05, House No----

Tel- +251 111 26 41 98

Managing Editor: Wakuman Kudama

Email: wakuma220@gmail.com

Deputy Editors-in-Chief:

Alem Hailu

Elizabeth Mengistu

Zekarias Woldemariam

Desta Geberehiwot

Daniel Beyene

Website: www.press.et

email: ethiopianherald@press.et

Fb//Ethiopian Press Agency/

The Ethiopian Herald

Business & Economy

Ethiopia's Economic Renaissance: Embracing market-based reforms for sustainable growth

BY HIZKEL HAILU

Ethiopia stands at a pivotal juncture in its economic evolution as the government embarks on a transformative path towards market-based reforms aimed at revitalizing the nation's economic landscape. The recent announcement of a shift to a market-based foreign exchange system marks a significant departure from traditional fixed exchange rate policies, underlining a strategic commitment to fostering economic prosperity and attracting foreign investment.

The federal government has disclosed its plans to transition the nation's foreign exchange rate mechanism to a market-driven system, a notable departure from the established fixed exchange rate strategy. This change was announced through a recent 'Macroeconomic Reform Program Policy' statement from the Prime Minister's Office

The adoption of a market-driven exchange rate system is essential for addressing foreign exchange shortages, removing barriers to private sector investment and expansion, and bringing the prices of imported and exported goods and services in line with market realities. The Prime Minister emphasized that, this strategy also tackles imbalances in the balance of payments and offers a range of additional advantages.

The statement also discussed other policy adjustments, such as the implementation of an interest-based monetary framework, significant fiscal policy changes, and reforms in government debt management. The statement underlined that the economic reform program, backed by the International Monetary Fund, the World Bank, and other key development partners, is expected to yield significant benefits and improvements for the economy.

National Bank of Ethiopia (NBE) has also announced a relaxation of restrictions on its foreign exchange system. The Bank unveiled a set of foreign exchange reforms described as "major new policy adjustments." The primary change involves transitioning to a market-oriented exchange system, as stated by the NBE. The NBE outlined that banks are now green lighted to engage in buying and selling foreign currencies with their clients and amongst themselves at freely agreed upon rates, with limited interventions by the NBE to stabilize the market initially and in cases of disorderly market conditions.

This move indicates that the Ethiopian government has embarked on a transformative path towards market-driven economic reforms, signaling a departure from traditional fixed exchange rate policies. Led by Prime Minister Abiy Ahmed's (PhD) visionary leadership, these reforms are designed to rejuvenate the country's economic environment, attract foreign investments, and promote sustainable

growth.

The NBE indicated that, this reform is part of a broader package of economic measures aimed at addressing macroeconomic challenges and stimulating private sector activity. The National Bank noted that the previous system, while intended to maintain stability, had led to the emergence of a parallel market and contributed to high inflation.

Basic elements of the reform include the elimination of surrender requirements to the NBE, the removal of import restrictions on certain product categories, and improved retention rules for exporters. The NBE also announced the introduction of non-bank foreign exchange bureaus and the simplification of rules governing foreign currency accounts.

To mitigate potential negative impacts, the government plans to implement temporary subsidies on essential imports such as fuel, fertilizers, medicine, and edible oil. The NBE also indicated that, additional measures that include financial support for civil servants and an expansion of the Productive Safety Net Program to address inflation impacts.

The National Bank projects that these changes could lead to improvements in various economic indicators over the next four years, including economic growth, inflation reduction, and increases in exports and foreign direct investment. However, the NBE noted that these projections are based on the successful implementation of the policy package.

Following the government's decision, the American Embassy in Addis Ababa commented that, market-based foreign exchange system is a difficult but necessary step for Ethiopia to address macroeconomic distortions. The Embassy further urged that, they encourage the government to work with development partners to implement these reforms.

While encouraging the government to work with development partners to implement these reforms the Embassy also indicated that, this decision will support the Ethiopian people and progress towards a more free and robust economy.

Approached by Ethiopian Press Agency (EPA), a renewed Public policy and economics expert Konstantinos Berhetesfa (PhD) stated that, this policy is crucial for Ethiopia. Mentioning that such policy touted to yield significant economic benefits for Ethiopia, he said that such policy is applicable in both developed nations and neighboring African countries like in Kenya, Tanzania, and Uganda.

As an expert in economics, it is clear that these initiatives harbor significant potential to unleash new opportunities and instigate positive transformations across various

sectors of the economy. According to the NBE, banks now have freedom to trade foreign currencies with their clients and among themselves at mutually agreed rates.

According to him, the initiation of trade could attract a wave of investors to the country, bolstering ties with the capital market and foreign banks and enhancing the nation's investment prospects.

Highlighting the amendment's pivotal role in curbing the black market, he emphasizes the need for the government to combat illicit activities, notably smuggling of money and currencies out of the country. Furthermore, he stressed the importance of fostering peace and stability to attract a wider array of investors, positing that such improvements would greatly benefit the Ethiopian economy.

One of the key advantages of the market-based exchange regime is its ability to encourage domestic production of imported goods, thus reducing dependency on foreign imports, he added. This strategic move, not only boosts local industries, but also modernizes Ethiopia's economy, making it more resilient and self-sufficient. By creating conducive environment for businesses to thrive, the reforms are set to empower industries, create employment opportunities, and stimulate economic diversification.

Mola Alemayehu (PhD), a researcher at the Ethiopian Economic Association, for his part articulated his belief that the reform will chiefly streamline and enhance foreign trade, encouraging foreign trade investors and drawing in a substantial number of foreign investors to the nation.

Considering the macroeconomic implications, it becomes imperative to scrutinize the country's economic framework. While successful examples exist among countries that have shifted to market-oriented foreign exchange systems, caution is advised. Accordingly, a meticulous evaluation of Ethiopia's economic structure is warranted to avert adverse impacts.

As to him, the reform is anticipated to enhance foreign trade competitiveness, bolstering exports and refining capacity with dual benefits. Firstly, exporters stand to gain increased profits through exporting products at domestic prices to foreign markets. Secondly, a streamlined business environment is envisaged through improved access to the Dollar. The amendment is crafted to mitigate the current deficit by streamlining export trading.

The shift towards a market-based exchange system is expected to have a profound impact on attracting foreign investors and increasing foreign direct investment. By aligning Ethiopia's business environment with global standards, the reforms enhance the country's competitiveness and appeal to international stakeholders. This influx

of foreign capital not only injects fresh impetus into the economy, but also, fosters innovation, knowledge transfer, and technological advancements propelling the nation towards sustainable growth and development.

Coupled with enhancing exports, the reform is projected to combat illicit trade, offering a regulated market environment that diminishes incentives for illegal activities. Proper governmental oversight could effectively manage expenditures, income, products, and capital to curb unlawful practices and steer policy decisions in the desired direction.

Mola emphasized the necessity of identifying the root causes of inflation to prevent exacerbation of living costs. An effective strategy entails government-led interventions in Dollar supply and subsidy mechanisms, along with periodic evaluations and adaptations to mitigate inflation's adverse effects.

In addition to the exchange rate reforms, Ethiopia's macroeconomic transformation encompasses a holistic approach, including interest-based monetary policies, fiscal policy adjustments, and debt management reforms. According to the experts, these interconnected measures are designed to stabilize the macro economy, ensure low and stable inflation, and improve budget management efficiency. By enhancing fiscal discipline, increasing government revenue, and implementing structural reforms, the country is poised to create conducive environment for sustainable economic growth and development.

The collaboration with international financial institutions and creditors, including the International Monetary Fund and the World Bank, opens up new avenues for development financing and debt restructuring. These partnerships, not only provide access to vital funding for key projects, but also demonstrate Ethiopia's commitment to sound financial management and sustainable development practices. By leveraging these opportunities, the country can bolster its infrastructure, enhance social services, and advance its national development agenda, it was learnt.

All things considered, Ethiopia's bold strides towards market-based economic reforms herald a new era of economic prosperity and growth for the nation. Based on the economist's view, it is clear that the transition to a market-based foreign exchange system, complemented by strategic policy adjustments, holds immense promise for unlocking Ethiopia's economic potential, attracting foreign investment, and fostering sustainable development. These reforms not only position Ethiopia as a dynamic player on the global stage but also pave the way for inclusive growth, job creation, and enhanced competitiveness in the years to come.

In the Sphere of Diplomacy

Flying the Ethiopian flag at the Olympics

BY FITSUM GETACHEW

The thirty-third summer Olympic Games are being carried out in France millions hope to enjoy the various contests and thousands will take part from more than two hundred countries. It is considered to be the biggest sporting event in the world and is carried out every four years. The last Olympic Games were carried out in Japan but they were held in a subdued atmosphere with limited public attendance due to the COVID-19 pandemic that was ravaging the world. Millions were infected with the virus and millions others were killed due to this plague. As the world was not prepared and had little know-how about the nature of the virus and sickness many months have passed before a remedy was discovered by scientists and put to the service of the public. In fact, the competition could not be carried out in 2020 as scheduled and hence was postponed for a year to be held in 2021. It was a huge relief for all the athletes who had been preparing for a long period for such an important event that comes only once in four years. There were speculations that the games were even to be canceled totally but a compromise was reached and with a delay of a year the games went on named Japan 2020 albeit with venues attended by fewer spectators than they would have been during normal conditions.

Records show that Ethiopia's first acquaintance with the Olympic Games began in 1956 at the Melbourne Olympics in Australia and our first participation was in cycling. There were no medals won but the country's name was written in the history books of the Olympics with bold colors also because there were practically no other countries from sub-Saharan Africa taking part in the contest. There were no sovereign and independently recognized nations.

But later on in 1960 came the first gold medal in the Rome Olympics with the then unknown but was later to be a mythical athlete, destined to totally change the face of African athletics and become a symbol of Ethiopia, a symbol of Africa, and even a symbol of the 'killer race' as the marathon is popularly known. That person was the Imperial Bodyguard member, Private Abebe Bikila later to reach the level of Captain!

A lot has been said and written about the exploitation of Abebe Bikila and since then was to be the symbol of Ethiopia which introduced it to the entire world through this fantastic gold without anyone considering him as a potential winner at the marathon contest. What made even more extraordinary of this triumph was that Abebe conquered Rome barefooted! He ran all forty-two kilometers of the 'killer race' without having shoes on the roads of Rome. People were astounded by this achievement and the entire world applauded such an exceptional athlete that



These Ethiopian athletes acted as true ambassadors to their nation and created a sort of curiosity about what Ethiopia stands for and what kind of country it is

Ethiopia showcased to the world.

Since then Ethiopia and the marathon became close relatives and at every Olympic Games, there are expectations from the world that either Abebe Bikila or any other Ethiopian athlete would win the race.

In fact, the magic of Abebe Bikila was to be repeated at the Olympic Games of Tokyo in Japan, and this time Abebe won the race only three weeks after his recovery after an operation for appendicitis! That was considered another miracle. I have vivid memories of his triumphant arrival in Addis Ababa after the games in an open van with him standing up outside exhibiting to the entire nation the gold medal around his neck and donning an athlete's sportswear.

Addis residents and even other citizens who came from outside the city for this special occasion were seen crowding the sidewalks of the streets where his convoy was passing and people were pushing and pulling trying to have a glimpse of this legendary athlete! The public was applauding warmly and calling loud his name. There was a huge excitement and people were cheering as if it was a national festival or a holiday.

They were memorable moments in the history of Ethiopia's sports. Abebe and the delegation that went with him to Tokyo were taken from Bole International Airport directly to the Jubilee Palace. He was received and welcomed by the then Emperor Haile Selassie and high government officials and at that ceremony, he was conferred with a promotion to the rank of Lieutenant of the Imperial Bodyguard. He was also reportedly awarded a golden ring from the Emperor.

Since then Ethiopia has begun to be identified as the 'country of runners' and a sort of myth was created about our athletes with later on the kinds of Mamo Wolde, Miruz Yifter, and many others who came after them up to the first African and Ethiopian female athlete to win a gold medal at the Olympics Derartu Tulu who conquered Barcelona in 1992 and the multi-world record breaker Haile Gebreselassie who was destined to be a real ambassador of Ethiopia in all the fields and countries across the places where he represented Ethiopia and won countless awards including particularly gold medals in the ten thousand meter race and several other triumphs in world athletic championships and cross country races, etc.

We cannot name all the wonderful athletes who became worthwhile ambassadors of Ethiopia on the international podiums flying the famous Ethiopian flag of the tricolor; the horizontal green, yellow and red. It was to be among the most recognizable of flags as it was hoisted several times in the athletics venues where all sorts of competitions were held including most notably at the Olympics.

But here it should be appropriate to pay

special tribute to two of the most decorated athletes of this generation recently given the accolade of the Best African Athletes of the 21st century with multiple gold medals won in the same venue of the Olympics, namely at the Beijing Olympic Games in 2008, in the five thousand and ten thousand male and female races. They are the formidable Kenenisa Bekele and the baby face 'killer' Tirunesh Dibaba.

All these wonderful Ethiopian athletes have become legends in the international sphere and flew the Ethiopian flag high at the venues of the Olympics and World Championships with billions of people across the world applauding them while watching them on TV winning the most arduous of contests in a spectacular manner. These Ethiopian athletes acted as true ambassadors to their nation and created a sort of curiosity about what Ethiopia stands for and what kind of country it is. Even though Ethiopia may have been considered as just another African country with several development-related challenges and many times associated with drought and conflicts in the past several decades, thanks to the exploits of its athletes it has now rebuilt its image and it is identified with glorious successes and achievements which even the most advanced and richest countries have not managed to achieve. Ethiopia achieved these results with limited resources and competing in a few categories of competitions.

At the Olympics, Ethiopia's flag was hoisted and raised multiple times and its national anthem was sung. Those were the most important moments for all Ethiopians and even more for the athletes who were seen emotionally shedding tears of joy and exhilaration after seeing all their years of hard work and training and after many sleepless nights living the hard life of active athletes resulting in triumph.

This year as well Ethiopians dream of seeing their athletes win medals at the Paris Olympics and keep alive the tradition of victories in the various fields in which they take part. Ethiopia is particularly expected to shine in the long and middle-distance contests beginning from the marathon to the ten thousand and five thousand meter contests in both female and male categories. Still, we also hope to win in the steeplechase and potentially record better results than in the past in swimming and boxing as well.

There will be exciting two weeks or so at the Paris Olympic Games which is the thirty-third since its beginning more than a century ago. The Ethiopian flag will once again fly in the skies of Paris and its national anthem will once again be sung in front of the entire world! Once again Ethiopians will proudly applaud the triumphs of their athletes and the country's image will shine again identified as 'winners', a country that will be in the limelight of world athletics with giants such as the USA, China, and others.

Developing countries' voices echoed at Addis Ababa Summit

BY EYUEL KIFLU

The International Conference on Financing for Development served as a platform for fostering dialogue and cooperation towards achieving a more sustainable and inclusive global financial system. The fourth round of the International Conference on Financing for Development (FfD) is scheduled to take place in 2025.

Before the fourth round, a preparatory committee meeting was held in Addis Ababa with a renewed focus on bridging gaps in SDG financing and delivering international financial architecture reform. Ministers and experts also discussed the Addis Ababa Action Agenda, which provides a starting point to discuss local finance in the context of sustainable development. The Addis Agenda presents a coherent framework for financing the 2030 Agenda, including the SDGs, by putting forward a comprehensive set of corresponding policy actions.

In 2015, world leaders gathered in Addis Ababa to agree on a framework for financing sustainable development, known as the Addis Ababa Action Agenda. The agenda was designed to support the implementation of the Sustainable Development Goals (SDGs) and the 2030 Agenda. However, according to Spiegel, progress has stalled due to global crises.

In an exclusive interview with *The Ethiopian Herald* Shari Spiegel is chief, Policy Analysis & Development Branch, Financing for Sustainable Development Office, Department of Economic and Social Affairs at the UN said that “The bad news is that we’re off track. We’re off track to implement the SDGs. Only 17% of the SDGs are on track to be implemented by 2030,” “There’s an enormous financing gap of 4 trillion dollar a year to achieve the SDGs in developing countries.”

The COVID-19 pandemic, climate crisis, and war in Ukraine have increased the costs of achieving the SDGs, making it even more challenging for countries to meet their goals. “The system is not working for development and for developing countries,” Spiegel emphasized.

The Addis Ababa Action Agenda aimed to address problems in the global financial architecture, including the International Monetary Fund (IMF) and the World Bank. However, the COVID-19 pandemic highlighted the gaps in the international architecture, leading to debt crises in many countries.

“Many countries in the world spend more on servicing debt than on health, education, and investment in long-term growth,” Spiegel said. “The system has



not worked for the poorest countries. We need to support the most vulnerable and poorest countries so that they can develop and have the ability to develop.”

“There is real excitement in the room,” Spiegel said. “Countries from all over the world are coming together to think about how to find solutions and rebuild trust in the multilateral system.”

The conference is seen as a crucial step in updating the Addis Ababa Action Agenda to reflect the current global environment and to find ways to strengthen the international system to support developing countries, she added.

According to the press release after the five days first session of the Preparatory Committee (PrepCom) for the Fourth International Conference on Financing for Development (FfD4) concluded Dozens of finance and foreign ministers convened this week to demand sweeping action to overhaul the international financial architecture, empower developing countries in global institutions, and channel trillions of dollars towards sustainable development in Africa and other parts of the developing world.

Nine years after the historic Addis Ababa Action Agenda on financing for development, United Nations member states once again gathered in the Ethiopian capital to renew the push for sustainable development financing and the Sustainable Development Goals (SDGs).

“Faced with sky-high debt burdens and costs of capital, developing countries have limited prospects of financing the Sustainable Development Goals,” stated António Guterres, Secretary-General of the United Nations, in a video message to the conference. “The Fourth International Conference on Financing for Development provides a unique opportunity to tackle these challenges head on.”

After a series of global shocks, including the COVID-19 pandemic, geopolitical conflicts, and economic instability, the SDG financing gap for developing countries has ballooned to \$4 trillion

annually. These financing gaps and accompanying debt challenges have worsened poverty and inequality, putting the world off track to meet the 2015 international targets.

“This meeting provided the opportunity to take stock of the steps we must take to fill the financing gaps and meet the development needs of all people around the world,” said Mr. Li Junhua, the Under-Secretary-General of the UN Department of Economic and Social Affairs. “The ministers, experts and other stakeholders that gathered here in Addis Ababa made clear that we cannot continue with business as usual and must dramatically reshape the international financial system.”

Proposals were unveiled for reforming the rules and governance of international taxation, as well as for addressing countries facing debt crises, including through new international mechanisms to resolve sovereign debt defaults.

“The international financial architecture created nearly 80 years ago needs to be reformed to respond to the most pressing challenges of African countries in a more effective and inclusive manner,” said Mr. Claver Gatete, Executive Secretary of the UN Economic Commission for Africa.

Also, during conclusion of the conference Ethiopian Finance Minister Ahmed Shide said that in the last five days, we have been able to gather resources for the Fourth International Conference on Finance for Development by discussing various issues.

He emphasized that developing countries should have increased representation in international financial institutions and greater support for their development efforts. “It was raised in the conference that we should work with great concentration to increase our income,” Ahmed stated.

The conference, attended by ministers from various countries and representatives of UN member states, successfully concluded with a focus on addressing global challenges such as climate change, economic disparities, and the COVID-19



Shari Spiegel

pandemic.

“By reforming international financial institutions and strengthening financial cooperation, especially with developing countries in Africa, with special attention and participation, an international financial system that suits their needs has been discussed,” he said.

However, the minister expressed concern that financial support decisions on climate change are not being fully implemented. “Commitment is needed to bring about an inclusive, sustainable, and resilient global economy,” he emphasized.

The conference that being held in Addis Ababa to discuss the progress of the Addis Ababa Action Agenda and to find solutions to the challenges facing developing countries. Over 1,000 people from around 100 countries are attending the conference, which aims to take stock of the progress made so far and to put forward new ideas for moving forward.

This conference, which aimed to gather the agenda for the international financial conference to be held in Seville, Spain, in 2025, concluded with discussions on climate change, finance, gender equality, sustainable and stable financial systems, and fair financial distribution.

Society

Flourishing Dire Dawa

BY STAFF REPORTER

Located in the eastern part of Ethiopia, “The Queen of the Desert” as many people call it, is known for being the city of love and peace and unity. With its warm welcoming and affirming environment coupled with the enticing hospitality of its people, Dire Dawa city has the power to create a feeling of security, comfort and intimacy, familiarity, and strong attachment for those who happen to visit the town and to have lasting, positive experiences.

The city is also one of the areas where diversity, tolerance, and togetherness are reflected vividly and tangibly in all aspects be it in social, cultural, or religious life, as well as in gastronomically, sport, art, and music. Due to this, Dire Dawa has a fascinating story to tell and a worth place to visit.

Currently, Dire Dawa is marking the 3rd year of the ‘Nafkot Dire Dawa Week’ festival, in the presence of its children, both living at home and the Diaspora community who have come to the city from different parts of the world and friends of Dire Dawa.

At the festival which will run for five consecutive days - from July 28, 2024, to August 1, 2024 - various events such as sports competitions, cultural celebrations, entertainment programs, the inauguration of development projects and field visits, cycling race, street walk, as well as seedling plantation activities under the green legacy initiative, and activities that strengthen solidarity and unity will be carried out.

Every single day in the festival week is also designated as Dire Dawa Day, Family Day, Culture Day, and Thanksgiving Day, and special activities will be carried out following the specified days.

Speaking at the sports festival opened colorfully at the Dire Dawa Stadium, Dire Dawa City Mayor Kedir Juhar said that, the ‘Nafkot Dire Dawa Week’ festivals that have been celebrated in the last two years have helped to strengthen ties between and among the members of the Diaspora community with each other and with their country.

Especially, following the national reform, natives of Dire Dawa and its friends residing all over the world have played an important role in lessening the basic challenges of the people by participating in the city’s social and economic developments.

Since the leadership came to power and began their activities following the national reform, it has been undertaking various activities to make Dire Dawa a symbol of love and prosperity. As a result, it was possible to address the deep-seated grievances of the community associated with development and good governance and register successful results. By turning challenges and hurdles that came to happen at different times and situations into opportunities, it has been possible to



When the foundation stone of the construction of housing complex and the Hasset Medical Equipment Manufacturing Plant were laid on the 3rd day of the 3rd year of the ‘Nafkot Dire Dawa Week’

The festival which is being celebrated with various colorful events will further signify and embody Dire Dawa’s age-old history and strengthen its longstanding culture of solidarity, and the symbolism of peaceful coexistence and togetherness

facilitate an efficient and effective judicial system in democracy construction, in both urban and rural areas, and witness encouraging moves in good governance, peace, and public service and benefitting women and youth.

While talking about the contribution of the Diaspora community in the socio-development endeavors of Dire Dawa City, Kedir said that the participation of members of the Diaspora community in the social,

development, and investment efforts of the city, is increasing from time to time.

According to him, following the favorable environment and investment areas, members of the Diaspora have invested in manufacturing, health, hotel, trade, and other sectors and created employment opportunities for thousands of people.

Likewise, they have been contributing their shares by engaging in various volunteering activities including planting seedlings at the Green Legacy campaign. He also pointed out the favorable environment this week-long festival the “Nafkot Dire Dawa” has created to stimulate the city’s development and further advance the achievements gained so far.

Expressing his heartfelt condolences to the people who lost their lives this week, Mayor Kedir also called upon members of the Diaspora community to do their part in providing immediate relief and long-term support and actively engage in the activity carried out to rehabilitate the victims impacted by natural disasters at Ashewa Market Center in Dire Dawa and in Gofa Woreda of Gofa Zone in South Ethiopia State due to repeated landslide incidents.

In his message, the Head of Dire Dawa City Culture and Tourism Office, Michael Endale said that the celebration of ‘Nafkot Dire Dawa’ week has significant social and economic benefits and promotes the unique cultural values of the people.

According to him, the festival which is being celebrated with various colorful events will further signify and embody Dire Dawa’s age-old history and strengthen its longstanding culture of solidarity, and the symbolism of peaceful coexistence and togetherness.

Religious fathers, elders, government officials, leaders of the Ethiopian Diaspora Service, members of the Diaspora community and friends of Dire Dawa, and local people residing in the city and different cities of the country, have taken part at the opening ceremony of the festival, which took place last Sunday, July 28, 2024.

During the opening ceremony, football competitions were held in different groups. The officials of Dire Dawa City vs. Somali State, the football team of Railway against Dire Dawa Textile Factory team played at the Dire-Dawa Stadium. The football competitions held between the players were very entertaining and attractive, it was learned.

It was recalled that, the 26th International Day of Harar was also celebrated warmly and colorfully for a span of 10 days starting from July 4 with the target to offer opportunities for the Diaspora community to connect with Ethiopia’s history, culture, and wisdom and also to boost tourism and investment in the State, according to Harari Tourism and Heritage Bureau.

International News

What do we know about child poverty in developing economies?

Child poverty is depriving millions of youngsters of their basic needs – and hindering their potential for a brighter future. Addressing this challenge requires a multifaceted approach that tackles economic, educational and social disparities to create a more equitable world.

Child poverty refers to the situation where children live in families with incomes below a certain threshold, often defined as 60% of the national median income.

Such circumstances deprive young people of the financial resources, basic needs and opportunities necessary for their wellbeing and development. They may lack nutritious food, safe drinking water, adequate shelter or access to healthcare and education. This hinders both their development and their future potential.

There is an urgent need for early intervention and comprehensive support. According to UNICEF (the United Nations International Children's Emergency Fund), approximately one billion children are considered 'multidimensionally' poor. This means that they lack basic necessities such as nutritious food and clean water.

Although child poverty is a global phenomenon, developing economies are the most affected. This is due to the wider extent of poverty across the whole population, which is often coupled with a dearth of adaptive technology, credit constraints, vulnerability to climatic shifts and political instability (Emediegwu et al, 2022).

What does child poverty look like on the ground?

Child poverty is a multifaceted issue that manifests in five critical domains: income poverty; educational disadvantage; health issues; social exclusion; and family stress. These interrelated effects collectively shape the experiences and outcomes of children living in poverty, influencing their present circumstances as well as their future opportunities.

Research shows that income poverty limits access to essential resources and opportunities, leading to educational disadvantages as impoverished families may struggle to afford classroom supplies, extracurricular activities or even regular school attendance (Serneels and Dercon, 2021; Hofmarcher, 2021).

Health issues arise from poor living conditions, inadequate nutrition and limited access to healthcare. This results in higher rates of illness and chronic conditions among impoverished children (Banerjee et al, 2021).

Social exclusion often follows, as these children are marginalized and isolated from their more affluent peers, affecting their social development and self-esteem.

Family stress, driven by economic hardships, further exacerbates the situation, contributing to a home environment that can



be unstable and fraught with tension. For children growing up in poverty, life can be extremely tough.

Which regions are more affected?

Income poverty is one of the most direct and measurable aspects of child poverty. Globally, an estimated 333 million children live in extreme poverty, struggling to survive on a household income of less than \$2.15 a day, according to a UNICEF report.

This situation is exacerbated in regions like sub-Saharan Africa and South Asia, where, according to the United Nations, children represent half of those in extreme poverty. In fact, nearly 90% of children in extreme poverty reside in either sub-Saharan Africa or South Asia.

This dire situation often results in malnutrition, stunted growth and a lack of educational opportunities, perpetuating a cycle of poverty.

In developed nations, the prevalence of child poverty is lower but still significant. For example, the OECD reports that over 20% of children in the United States live in relative poverty, with disparities in access to food security and educational opportunities.

Further, in 2020, 24.2% of children (under 18 years old) in the European Union were at risk of poverty or social exclusion, compared with 21.7% of adults (aged 18-64) and 20.4% of elderly people (65 or over).

Social exclusion of children is a complex issue, which can manifest differently in developing and developed economies.

Developing economies typically grapple with higher levels of poverty and less developed infrastructure and services, leading to more pronounced social exclusion. In contrast, developed economies, despite better overall access to services, still face issues related to economic inequality and marginalised communities.

It is therefore important to consider the context in which children live in order to understand the nature and extent of the

social exclusion that they face.

What are the drivers of child poverty in developing economies?

Child poverty in developing economies is influenced by a complex interplay of economic, social, political and environmental factors. Economic challenges such as low wages, high unemployment, inflation, inadequate social security benefits and poor government policies contribute significantly to child poverty.

For example, the poorly timed removal of a fuel subsidy in Nigeria led to soaring prices of basic necessities, including food. As wages have failed to keep up with price rises, the purchasing power of many households has declined, pushing more families and children into poverty.

Social factors, including gender, ethnicity, race and geographical location further exacerbate the problem, making certain groups more vulnerable. For example, the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) finds that women and girls are more likely to experience adverse effects of poverty due to social norms and gender inequalities that limit their access to resources.

The absence or non-enforcement of relevant enabling laws could also result in systematic discrimination and social exclusion of ethnic minorities and indigenous people, as recently witnessed in Jos (Nigeria), where indigenous communities have been targeted in armed attacks.

Civil unrest and extreme weather events also have the potential to drive families into poverty. Economists agree that conflicts lead to poverty due to death, destruction and displacement (Mueller and Techasunthornwat, 2020).

As many developing economies rely on agriculture, adverse weather conditions that have a detrimental impact on crops bring severe repercussions for food security and income, ultimately leading to 'food

poverty' among children (Emediegwu and Ubabukoh, 2023). It is the poorest in society that bear the brunt of climate change and conflict.

What is the way forward?

Addressing child poverty in developing economies and elsewhere requires a multi-layered approach that tackles the root causes and provides sustainable solutions. This approach must include education, healthcare, security and supportive government policies to ensure that families have the resources they need to provide a stable and secure environment for their children.

Key strategies include implementing social protection programmes, increasing equitable public spending on child-related services, and improving access to quality education. Community-led initiatives that empower local populations to develop and manage resources effectively can also make a difference.

For example, in Nigeria, the Community and Social Development Project (CSDP) has increased access to improved social services and infrastructure for the poorest in society (World Bank, 2021).

Addressing economic instability, creating employment opportunities and ensuring access to healthcare are crucial steps too. Reducing political instability is also important as efforts to reduce child poverty in developing countries can be hindered by it – as seen with the military juntas in Mali and Niger, among others.

Corruption, inadequate infrastructure, and social and cultural barriers can also be detrimental to poverty reduction initiatives. International aid and partnerships should support developing regions and aim to ensure that all children have the opportunity to thrive and reach their full potential.

Source: <https://www.economicsobservatory.com/>

Planet Earth

The need to intensify environmental actions against future landslide disaster

BY ZEKARIAS WOLDEMARIAM

The recent disastrous landslide in Gofa Zone of South Ethiopia State has claimed the lives of more than 250 local residents. For a country that has been contending serious climate change related disasters especially drought and flood, landslide has come as another shocking incident that needs due considerations for precaution in the future.

Even though the disaster seemed to be a new phenomenon, such disaster is common in various parts of the world including our country. However, it is believed that they are given less attention that they deserve and this is part of the reason for the shocking level of catastrophe they cause as in the case in that of Gofa here in Ethiopia.

There are a number of natural factors that can cause landslide as a natural disaster. But climate change will undoubtedly take much of the blame. Even though other factors that touch the natural terrain of the earth can also contribute to climate change Long term climate changes can have significant impact on slope stability. This means both drought and heavy rainfall or flooding are likely to be held accountable to many disasters including landslides in the long run.

Extreme weather condition in East and Horn of Africa has been a long time challenge that claimed thousands of lives and destroyed huge sum of property. In recent years and months too, drought has also caused a lot of loss of life and destruction of property in countries especially Somalia and Ethiopia. As the weather shifted to the other extreme, catastrophic level of flooding has also caused loss of life and destruction of property.

“Eastern Africa is one of the most vulnerable regions to climate variability and change. The region has experienced several climate-related challenges. And as you have also noticed in recent years the region has witnessed a very high frequency of extreme events including the prolonged droughts that we have seen from 2020 up to 2022 on one side and the intense flooding on the other side that we are currently experiencing. So these events have caused widespread destruction and displacement of communities and also the loss of lives. And as we also know like the other parts, our region is also experiencing an increase in temperature” says Hussein Seid (PhD) Climate Modeling Expert with IGAD Climate Prediction and Application Center (ICPAC).

The recently deadly land slide is another sort of natural disaster that surprised the nation and even the world. Considering the likelihood of such disasters in the future it is mandatory to examine the matter and take precaution for future possible incidents.

According to Hussein, the natural topography of the region varies greatly



and adds vulnerability to disasters like flooding. “Geographically, East Africa has a unique picture. It is just one of the regions with this is a complex kind of job. Geographical features have very high land areas. It has very low land areas. It has also coastal regions and plateaus. So this led to a variation of rainfall complications in the other locations but looking at how the effects of these extremes, one of the reasons that we are seeing this is because of the limited capacity. Many countries in the region have limited resources and also they have limited institutional capacity and infrastructure”

Therefore it is easy to guess that the drought that reigned at catastrophic level in the region and the nearby areas can be thought of as having its foot print in the recent land slide. An overall decrease in precipitation results in a lowering of the water table as well as decrease in the weight of the soil mass decreased solution of materials and less intense freeze-thaw activity.

Erosion by intermittent running water, streams, waves and wind can remove the lateral slope support of hill sides which can increase the potential of the hill or the land underneath to slide. Furthermore, weathering which is a natural process of rock deterioration produces weak and vulnerable materials that add the likelihood of landslides to occur.

Therefore just as the prediction of climate change and related impact is made, it is also important to include such new or rare trend of calamities. As various sources indicate

there is no doubt that landslide are partly or in most cases outcomes of climate change or mistakes in environmental protection activities or even large scale infrastructure development activities, as well as the settlement of people in vulnerable areas.

However, the landslide incident in Gofa or some parts of the country are also a wake up call to the government and other stakeholders to make all the necessary precaution in the diverse sectors of development activities as these incidents result from not only climate related changes but also unscrupulous development activities. Indeed development is a vital activity for the existence of the society. Yet, such incidents remind people and the government that ongoing activities need also to take in to consideration side effects of applying development without necessary care for environmental and social impact.

Ethiopia has been streamlining efforts to improve its forest coverage and protection of natural resources through massive afforestation programs in the last couples of years. Through the green legacy initiative the country has been able to transplant more than 25 billion seedlings in various corners of the country.

Furthermore, the government has been working strenuously in raising the country’s infrastructure network especially roads that cut through the varying and expansive terrain of the nation and connect all the corners that are far away from each other.

Along with the increasing existence

of human settlement in the areas the possibility of landslides needs due attention as the various human activities are likely to happen as the subsequent activities of the settlements. The afforestation, infrastructure development as well as other works like farming, mining and industry ... etc.

Literature in the field indicate that changes in slope result from terracing agriculture, cut and fill construction for highways, buildings, railways and mining quarries. All these human intervention are necessary for human life that at the same time need due caution. Hence the government and stakeholders need to apply research and experience from the world in preempting the disastrous level of the occurrence of landslides just like other natural catastrophe.

The country is building a rapidly growing economy that to a large extent depends on harnessing its natural resources like agriculture, irrigation, hydroelectric power, mining, and various types of infrastructure construction activities, among others. As mentioned above landslides all rounded impact as they can affect forests, the environment, drinking water, infrastructure, among others. As a result the country cannot afford to take it easily as it nullifies years of efforts overnight.

Even though it would be unrealistic to fully avoid the possibility of this globally common scenario, it is possible to make all the necessary precaution and mitigating measures to avoid human and environmental crisis.