



## PSI-CMI seminar highlights women's role in Ethiopia's economy

• Reveals challenges, opportunities for women in workforce

BY ASHENAFI ANIMUT

ADDIS ABABA – Women play a vital role in the socioeconomic development and productivity of the country, significantly contributing to local economies and global supply chains, according to research by the Policy Studies Institute (PSI).

PSI Director-General Fekadu Tsegamade this statement yesterday during a seminar organized by PSI and the Christian Michelsen Institute (CMI) on the impact of jobs for female factory workers. The event, attended by government representatives, stakeholders, and other dignitaries, highlighted the importance of women's contributions to the workforce.

Fekadu emphasized that women

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Photo: Gebabo Gebre

## Lawmakers greenlight foreign banks' presence in Ethiopia

• Domestic banks remain resilient amidst change

BY HAILE DEMEKE

ADDIS ABABA– The House of Peoples' Representatives (HoPR) has approved the proclamation of the National Bank of

Ethiopia (NBE), enabling foreign banks to operate within the country's financial sector.

During its 11th regular session yesterday, the HoPR unanimously passed the NBE proclamation, which is expected to

drive growth in Ethiopia's financial sector. The proclamation aims to modernize the banking and financial systems, thereby stabilizing and strengthening the country's economy.

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## Rail network expansion to spur nationwide dev't : Corporation

TSEGAYE TILAHUN

ADDIS ABABA - The Ethiopian Railway Corporation (ERC) disclosed aspirations to expand national railway network to facilitate economic corridor and overall economic development.

ERC Deputy CEO Getu Gizaw (Eng.) told

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## Made in Ethiopia: Blueprint for import substitution

BY HAILE DEMEKE

Ethiopia has been spending billions of USD on imports, and the government's recent initiative to replace imports with domestically produced goods is showing promising outcomes. Accordingly, the government has taken robust measures to improve import substitution, thereby promoting a healthy economy.

The primary aim of this initiative is to enhance the competitiveness of the manufacturing sector by locally produced goods that were previously imported. The abundant natural resources, large number of trainable labors, and numerous energy supply options are key advantages to enable the nation achieving import substitution.

Hawassa University Market Administration Lecturer and Researcher, Prof. Birhanu Burji told the Ethiopian Press Agency (EPA) that the import substitution initiative has achieved significant results, indicating that the nation is on track to meet its targets.



Highlighting the considerable progress that has been made in import substitution, he said that the initiative is playing significant role in maintaining trade balance. This initiative is playing a crucial role in reducing the country's reliance on imported goods, thereby fostering self-sufficiency in locally produced items. The initiative is also

significant approach to ensure sustainable growth and create job opportunities for citizens.

On the other hand, the import substitution initiative is essential to provide incentives for manufacturers to boost production

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# News

Photo: Hadash Abaha



## Foundation aims to combat malnutrition, stunting across Africa

BY MISGANAW ASNAKE

**ADDIS ABABA**—The YADAM Foundation has the potential to position nutrition at the forefront of Africa's agenda and inspire global action against malnutrition, according to the Ministry of Health (MoH).

Health Minister Mekdes Daba (MD) noted that the foundation's primary goal is to combat malnutrition and stunting, aiming to build a healthier and more competitive future for Ethiopia and the broader continent.

She also indicated that Ethiopia has been actively engaged in national initiatives, such as the Bounty of Basket and urban farming programs. The YADAM Foundation will play a significant role in supporting these efforts and sharing Ethiopia's successful experiences as a regional leader in nutrition improvement.

Mekdes reaffirmed MoH's commitment to supporting the foundation's initiatives, which align with ongoing national efforts to tackle malnutrition and stunting in Ethiopia and across Africa.

Former Deputy Prime Minister and Foreign Minister of Ethiopia, Demeke Mekonnen, officially introduced the YADAM Foundation on Monday with the goal of eradicating child stunting across Africa.

The foundation seeks to address malnutrition, one of the continent's most pressing challenges, through innovative, sustainable, and community-driven solutions. Demeke emphasized that this initiative marks a critical step forward in confronting the issue. He also stated that the first 1,000 days of life are crucial for cognitive and physical development, reaffirming the commitment to combat under-nutrition.

"Malnutrition is everyone's problem, but solving stunting requires a strong sector that functions effectively. Let us make it a national agenda and then expand it into the African agenda to create competent youth who can influence the world," Demeke stated.

The former deputy premier further emphasized that nutrition is a key element of human development. "Child nutrition is a fundamental aspect of our development agenda. It is vital for fostering a healthier, more productive society, and for enhancing human cognitive and intellectual capacity."

Demeke concluded by stating, "The YADAM Foundation aspires to rank among Africa's top five initiatives by 2035, contributing to the continent's prosperity through comprehensive, holistic strategies that combat malnutrition and drive societal progress."

## AASCCF seeks global insights to boost saving, credit cooperatives

BY MESERET BEHAILU

**ADDIS ABABA**—Efforts are underway to enhance Ethiopia's saving and credit cooperatives by integrating international experiences, according to the Addis Ababa Saving and Credit Cooperation Federation (AASCCF).

AASCCF Deputy Board Chairperson Genet Tilahun told *The Ethiopian Herald* that her organization is prioritizing the adoption of global best practices and fostering collaboration with relevant stakeholders to ensure the sustainable development of saving and credit cooperatives.

She emphasized that these cooperatives play a vital role in encouraging saving habits, creating jobs, and improving livelihoods, particularly for youth, women, and the elderly. For instance, the Organization for Women in Self Employment-WISE (Rased) in Addis Ababa boasts over 26,000 women members, showcasing the transformative potential of such initiatives. However, Genet highlighted that a significant portion of society remains unaware of the full benefits of these cooperatives due to a lack of understanding.

"Many countries successfully leverage cooperatives for socio-economic progress. Kenya is a prime example, where some cooperatives have achieved operational capacity comparable to private banks," she noted. "While Ethiopia's cooperatives have reached a federation stage, there is significant room for growth, which can be achieved through shared international experiences and local adaptation."



Genet added that community-based cooperatives often outperform government-managed ones due to their stronger sense of ownership, as members dedicate their time and energy to ensuring success.

Hiwote Dagim, a member of *Yichalal Hibret Sira Mahiber*, shared her cooperative's inspiring journey. Established in 2020 by Ethiopian women repatriated from Saudi Arabia, the cooperative has been instrumental in helping members achieve their dreams.

"It was always my dream to open a music

training institute, but I only had one keyboard. It seemed impossible," Hiwote explained. "However, after joining the cooperative, I was able to acquire seven soundboards, six box guitars, and one lead guitar."

*Yichalal Hibret Sira Mahiber's* success is evident. The cooperative's loan capacity has grown significantly, rising from 200,000 Birr initially to 500,000 Birr today. Membership has also surged from 200 to 665, with members now seeking loans to purchase vehicles and houses, showcasing the cooperatives' expanding potential.

## ERCS establishes humanitarian academy to address inhuman actions

BY ESSEYE MENGISTE

**ADDIS ABABA** - Ethiopian Red Cross Society (ERCS) has established a School of Humanity to address inhuman actions in Ethiopia and educate future generations on ethical and humanitarian principles.

According to the report of ERCS's National Management Board, the Society has established a humanity school to initiate legal actions on the inhuman acts that have been perpetrated in Ethiopia over the past years. The school is also designed to educate the next generation with regard to ethical and humanitarian principles.

The ERCS observed the conflicts in the northern and other parts of Ethiopia and the terrible damage caused by the incidents. Considering the vitality of humanitarian institutions' role by drawing lesson from the 90 years of ERCS experiences, works are being done to launch a humanitarian academy.



According to the report, 12 well known Addis Ababa University professors have involved in the establishment of the humanitarian academy. Accordingly, education and training modules have been prepared by the university while training documents are prepared by the board members.

In addition, two professors from the Addis Ababa University, who prepared the training documents were assigned as the Dean and Vice Dean of the academy.

Currently, the academy has designed various programs and preparing to receive and enroll students, the report stated.

The ERCS has faced significant challenges due to conflicts, unsafe working conditions, and attacks on volunteers and employees. Challenges included worker abductions, vehicle theft, human targeting, and illegal use of the Red Cross emblem and lack of a comprehensive legal system. The ERCS seeks protection and support for its humanitarian activities, the report stressed.

# News

## Made in Ethiopia:

and support the economy, eventually creating an industrially prosperous nation. Focusing on the local market is crucial for stabilizing the economy and alleviating the soaring inflation rate.

Citing the experiences of countries like Brazil, Argentina, and Mexico that have made significant strides in food import substitution and are now transitioning to substituting electronic products after successfully halting food imports, Birhanu said that Ethiopia needs to exert maximum effort to fully substitute imports.

The report from the Ministry of Industry indicated that the industry's market share has been increasing and efforts are underway to boost import substitution to 60 percent in compliance with the 10-year national development plan. A total of 96 products have been identified for import substitution, including textiles and apparel, leather and leather goods, hides, chemicals, construction materials, manufacturing technology, and food and beverage items. Following the campaign Ethiopia's import substitution strategy has begun to yield results.

The country aims to substitute products, primarily in the food and beverage sector, which constitutes about 80 percent. Praising the initiative, Addis Ababa University Economist Atlaw Alemu (PhD) stated that the initiative allows the nation to utilize its own human resources and local inputs, which is vital for reducing import costs.

By June, Ethiopia has managed to substitute around 2 billion Birr worth of products, which is encouraging. Consequently, the nation has saved about 1.9 billion USD over the past nine months in substituting textiles and apparel, leather and leather goods, hides, chemicals, construction materials, manufacturing technology, and food and beverage items. The 'Made in Ethiopia' campaign is achieving notable success in import substitution, in addition to reducing costs related to imports.

The initiative is still in its early stages so that it is vital to capitalize the overall efforts. Having abundant human and natural capitals, Atlaw believed that Ethiopia has the potential to succeed in import substitution by harnessing untapped resources.



## PSI-CMI seminar...

deserve recognition for their pivotal role in industrial parks, factories, and the manufacturing sector. However, female factory workers often face challenges, including low wages and unfair treatment that fail to reflect the value of their work.

This wage disparity undermines their financial stability and long-term economic empowerment. Furthermore, it compromises job security, limits their potential, and creates a cycle of inequality. Fekadu also pointed out that factory working conditions are often poor, with overcrowding, inadequate safety measures, and limited healthcare access. These conditions can lead to physical and mental health issues for workers.

He added, "Many women are the primary caregivers for their families, and the stress of low wages and poor working conditions can negatively impact their health and family dynamics."

Research conducted by PSI and CMI since 2015, tracking over 1,200 women applying for jobs in Ethiopia's industrial parks, reveals that the impact of factory employment on female workers is complex. While some experience empowerment, gaining financial independence and skills, many still face significant barriers that hinder their growth.

Fekadu stressed the importance of developing policies that ensure equal treatment in the workplace, regardless of gender. He called for advocating for fair wages, improving working conditions, enforcing labor laws to

protect workers' rights, and offering tailored training and development opportunities.

TigabuDegu (PhD), Lead Researcher at PSI, stated that female workers in industrial parks and multinational factories will play a crucial role in enhancing earnings, foreign direct investment (FDI), and knowledge transfer. He highlighted the positive impact of these projects on livelihoods and food security but emphasized that stakeholders must focus on issues like workers' rights, a conducive work environment, and working hours.

Tigabu also noted that women make up 50% of the workforce in these parks. He urged that gender attitudes, empowerment, division of labor, and related issues must be addressed to enable women to be more actively involved in the workforce, promoting both profits and progress.

Christian Michelsen Institute Research Professor and Director Espen Villanger stressed the importance of strictly implementing labor laws and regulations to protect the wellbeing of female workers. He suggested that addressing privacy issues and enforcing these regulations would improve their working conditions.

Villanger also recommended better communication between managers and workers to address moral concerns and feelings of insecurity, helping reduce workplace abuse, improve the work environment, and lower turnover.

## Rail network...

*The Ethiopian Herald* that the corporation has finalized feasibility studies of different railway projects to expand national railway network to facilitate economic corridor thereby expediting country's development.

These project investments would be implemented if the necessary finance is gained, he said, adding that the plan is to reach the railway network to 5700 Kilometers in the next ten years.

Currently, the Railway logistics coverage in Ethiopia is only 15%, which requires the expansion of railway infrastructure network. Therefore, ERC has been working to raise its coverage from 15% to 40% by increasing efficiency as well as upgrading railway infrastructures, he stated.

Furthermore, the ERC is exerting efforts to mobilize finance to finalize the construction of Awash-Woldia-Hara Gebeya and Hara Gebeya-Mekelle Railway Projects.

So far, there are no local companies that develop railways in Ethiopia. As a result, the ERC has been planning to develop railway infrastructure by itself. For this purpose, it has around 400 to 500 well trained railway

engineers.

This would enable them to develop or construct railway infrastructure locally by ourselves. "Once we develop knowledge and expertise, we will develop railways across Africa," Getu noted.

ERC's New Business Development Department, Manager Shewangizaw Kifle said that the country has been costing high logistics expenditure due to lack of logistics modernization.

To overcome the situation, he expressed that the country has been trying to start new replica of logistics projects like the Endode Logistics Port project and others that facilitate logistics.

According to him, a feasibility study is finalized to commence the Endode railway project that designed to reduce logistics costs and support the supply chain in the sphere.

The ERC is eyeing to make a modal shift from truck to railway especially in import-export trade. Increasing the freight volume would automatically support the effort, but it requires policy measures and expanding infrastructure, he underscored.

## Lawmakers...

NBE Governor Mamo Mihretu informed members of parliament that the proclamation will contribute to stabilizing the Ethiopian economy and ensuring a healthy financial system. He highlighted that the proclamation clearly outlines the central bank's primary tasks: maintaining price stability and a sound financial system.

According to Mamo, this groundbreaking move marks a significant milestone by allowing foreign banks to enter Ethiopia. In addition to opening the door for foreign banks to operate in the country's financial sector, it is a pivotal step toward liberalizing Ethiopia's

banking industry and attracting international investors.

He further emphasized that as Ethiopia embarks on steady economic growth, supporting and contributing to this development remains a core objective of the National Bank. The country's digital banking sector has seen remarkable growth, with an increasing number of citizens engaging in mobile banking and other digital transactions.

"The proclamation will gradually establish a robust banking sector, laying the foundation for strong domestic financial institutions. It sets the stage for the development of powerful

banks that will further strengthen the nation's economy," Mamo stated.

The financial transaction landscape is progressing as Ethiopia shifts toward digital banking. The widespread adoption of mobile banking underscores the nation's considerable advancement in this area. Regarding Ethiopian banks, the governor assured lawmakers that they are stable and making significant contributions to the national economy, affirming, "Ethiopian banks are safe."

Furthermore, the proclamation opens Ethiopia's banking sector to foreign investment as part of the broader economic

reform agenda. "We have been discussing this proclamation for the past three years, drawing from the experiences of other countries," Mamo said. "The ultimate goal is to drive the nation's economic growth."

Additionally, the proclamation will enable the NBE to modernize, align with financial sector reforms, and enhance its regulatory capacity over commercial banks. It comprehensively addresses the organization of banks, the purpose and functions of the NBE, its administration, and its relationship with the government and other financial institutions, it was learned.

# Opinion

## Singing the song of peace for cementing harmony

BY MENGESHA AMARE

Peace has no boundary, no limit, and no one dislikes enjoying it, indisputably. It has been well entertained among/between human beings since the advent of communal life. Even people themselves can build it and spoil it, too. If the yolk of peace is at the palm of citizens in a given country, nothing will be beyond the capacity and willingness of the respective populace to come up with a peaceful atmosphere in all circumstances.

Without a shadow of a doubt, Ethiopians have had a longstanding and well-entrenched coexistence, harmony, and firm fraternity. That is why they have been leading a stable life at every corner of the nation, though there are some sorts of irregularities here and there this time.

Taking the well-acclimated and firmly cemented brotherhood and sisterhood scenario into account, the Ethiopian government has urged everyone, all citizens of the nation, especially this time, to work from dawn to dusk with a view to restoring peace and security, thereby building a stable and prosperous nation, which can be confidently overtaken by the new/next generation. Yes, peace is the priceless social asset that needs to be well nurtured and taken care of, and creating a peaceful atmosphere among the community and in the minds of every citizen has to be taken as culture. If truth be told, and as the reality on the ground across the globe would have it, no one gets bankrupt from the field or ground from which peace is reaped; perhaps those who have run activities and benefited much out of war and conflict, conflict entrepreneurs in brief utterances, might have reservations in this regard.

The world over, Africa and other developing parts of the universe, individual countries like ours, be they are developed/advanced or emerging and or budding states, have to wholeheartedly embark on peace and peace initiatives for the sake of the wellbeing of human race everywhere in the globe.

In principle, the world was created to be wisely exploited and used by human beings; however, the self-centered nature, egocentric feature, power monger spirit, inclination of fond of luxury and supreme satisfaction at the expense of others, the highly rampant sense of nepotism, among others, have confidently attributable to lack of peace and tranquility.

All these realities of realm have to be well treated, nurtured and carried out in tune with the law and legal procedures of a given nation. Cognizant of the fact that peace everything, like tantamount the air people breathe, the food items human race has been taking and the necessity that has to be fulfilled to lead a happy life, nations have to sing for peace and provoke citizens to work for peace all the time and at all circumstances.

Since Ethiopia is not exception in this regard, peace has long been a talk of each and every day and the government has been doing all its best towards creating a

unwavering and serene nation.

The Ethiopian government has time and again called on those who are undertaking armed struggle residing in the bush. Some have taken the call for peace as a positive stride and have readied themselves for discharging their respective responsibilities as properly as possible to come up with a steady and affluent nation.

On account of the presence of long-lasting culture of creating mechanisms for non-violent resolution in their country as stated earlier, Ethiopians are expected to entertain peaceful means to address any form of disparities in an enlightened conduct. No doubt, peace deal can revive mechanisms for resolving conflicts without violence. That is why some factions which are in a state of fight with the federal government have come to the right track and be willing to work with the latter to ensure peace and security in the country.

Unequivocally, the Ethiopian government is willing to conduct close talks, hold dialogues and conclude peace accord with anybody who does have queries and reservations with a view to making the state much more stable, prosperous and confident.

As the culture of living in synchronization, through sense of fraternity, brotherhood and amity, social cohesion is of paramount importance in having a productive generation, be it the existing one of the posterity to come, working for peace should not be left only to the government, line ministries, commissions, authorities, even security forces and bureaux as the issue itself has highly demanded the combined effort of all.

True, peace is age, social status or gender blind, everyone takes it and assimilates with the entire body as they have done on oxygen. Despite the presence of skirmishes here and there across the nation, which were meant to compromise the rule of law, and exacerbate loss of lives from both sides, a reign of peace has to be well installing the throne following peace deals and genuine agreements.

It is well recognized that a peace agreement would help stop violence, address the roots of conflict and revive mechanisms for non-violent resolution of conflicts.

Cognizant of the fact that successful peace deal creates an environment supportive of self-sustaining, attracts durable peace, prevents conflict from restarting, integrates general public, and addresses underlying structural and societal issues, the Ethiopian government has been relentlessly working towards that end.

Unequivocally, the Ethiopian Government is duty bound to provide citizens with stable, serene and calm living area. That is why it is taking the lion's share in inviting those who are warring here and there residing in the jungles. Yes, nothing is much more thrilling than helping citizens breathe a sigh of relief. As the Pretoria Peace Agreement has enhanced a new culture of putting an end to conflicts by soliciting political solutions through round table discussions

**The Ethiopian government is willing to conduct close talks, hold dialogues and conclude peace accord with anybody who does have queries and reservations with a view to making the state much more stable, prosperous and confident**

and close talks, the same fashion needs to be made applicable towards creating a stable and lively nation these days. This bold move amplifies the importance of a mature and resolute decision of the government to prevent future generations from inheriting a birthright of winners and losers characterized by loathing and ill will.

The positive strides commenced to instill the reign of peace have to be well duplicate and put widely into practice to help Ethiopians have a well intertwined harmonious way of living. No doubt, singing about peace is of significantly useful in attracting harmony, fraternity, amity and durable tranquility.

The government has also been diligently working towards hugging brothers and sisters in the bush to root an everlasting peaceful culture. Undeniably, the government is expected to take remarkable swift action in restoring peace and tranquility across the nation, and so are those adding fuel to fire to the conflicts, be they are recurrent or sporadic ones. Let Ethiopia learn from past scenarios and fetch cardinal lessons out of it with a view to coming up with a new generation who are fond of collaboration over confrontation, amity over enmity, embracing over pushing apart so long as well all have one beloved country—Ethiopia.

It is also well recognized that peace talks that seek to end armed conflicts should be undertaken in several parts of the nation since the peace sowed at the grassroots level would have a permanent repercussion on stability and serenity fashion. This is not said out of the blue, but with convincing grounds. Peace is sowed and even rooted out by the general public and nothing escapes from the sight of them. In sum, since building trust and listening to grievances coming out of every direction is quite important for bringing about a steady national climate.

This in turn helps find creative solutions that give guarantees to all the parties and allow them to imagine a common future via employing lasting peace. Citizen's slogans every time need to be peace, peace and peace as it is the source of every piece of action whatever it may be. Therefore, peace actors should constantly search for entry points to create opportunities for building peace instead of waiting for the perfect conditions. Here, the international community should, therefore, urgently make more efforts to halt the massive production and circulation of weapons if every country needs to be peaceful and stable as well as they have to work for confidently ensuring as peace is a process, and requires significant commitment.

In the era of dynamically trekking universes, a lack of stability, prevalent conflict, and the spirit of amassing undeserved profits at the expense of the masses are seriously attributable to a shortage of peace. Thus taking care of individual, communal, and societal well-being can help citizens lead a happier and more fulfilling life. In this article, Ethiopians have to explore the benefits of a peace and tranquility mindset and how it can positively impact their lives and the prosperity of their country. Yes, peace is about developing a positive outlook on life and accepting things as they are. When citizens have a peace and tranquility mindset, they don't get bogged down by negativity or stress; instead they focus on the positive aspects of their life and try to find solutions to any problems they may encounter. Peace and tranquility encompass various states of calm and serenity that result from fulfilling one's spiritual journey and understanding existence. When peace and tranquility are calculated in terms of countries, they are states of harmony, security, and well-being that are characterized by a lack of conflict and violence, as peace is a state of harmony and tranquility and is often used to describe a lack of conflict and freedom from fear of violence. It is also essential for the thriving of individuals, communities, and nations at large, and peace and tranquility foster a sense of security, well-being, and mutual respect.

In a nutshell, peace has always been amongst human beings' uppermost values—for some, even supreme and absolute. Besides, it is recurrently said that there never was a good war or a bad peace. The prevalence of peace needs to be manifested through indicators of peacefulness in Ethiopia, like low crime rates, minimal incidences of terrorist acts and violent demonstrations, harmonious relations among/between citizens and with neighboring countries, a stable political scene, and a small proportion of the population being internally displaced or refugees. That is why Ethiopia is singing peace songs now and then.

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

# Editorial

## Power export: A step toward regional energy integration

Ethiopia is rapidly emerging as a key player in Africa's energy landscape, driven by its strategic efforts to harness its abundant water resources and expand its energy generation capacity.

The country is striving determinedly not only to meeting the long-awaited aspiration of its people for energy demand but also to providing reliable, affordable and sustainable power to neighboring nations and beyond.

Thus, with a clear vision for regional integration, and a goal of creating a unified East African power grid that will benefit both Ethiopia and its neighboring countries, Ethiopia is working diligently to develop its untapped water resources and attain its ambition of integrating the East African countries through energy connectivity.

This ambitious energy connectivity initiative aims to link Ethiopia with its neighboring countries, foster mutual benefits through shared energy resources and infrastructure.

In turn, in recent years, Ethiopia has made significant progress in its efforts to develop its water resources and expand its power generation capacity. Ethiopia's efforts have produced tangible results and the country has already begun exporting electricity to neighboring nations. Today, nations such as Djibouti, Sudan, and Kenya are benefiting from Ethiopia's electricity export. Additional plans are also in place to expand this reach to Uganda, South Sudan, Tanzania, and other countries across the region, marking a significant milestone in Ethiopia's energy integration strategy.

In a notable development, the country has also announced plans to export approximately 100 megawatts of electricity to Tanzania through Kenya.

Obviously, Ethiopia has long recognized the critical importance of regional cooperation and integration in Africa to foster broader sustainable economic growth and development. At the heart of this effort, electricity connectivity plays a vital role in ensuring energy security, promoting industrialization, stimulating regional trade, and supporting sustainable development goals.

For this reason, Ethiopia's energy connectivity strategy is laying the foundation for a more interconnected and resilient regional economy. The initiative offers transformative opportunities not just for Ethiopia, but also for the entire East African region and beyond. This export initiative will not only drive regional energy collaboration, but it will also stimulate the promise of a brighter, more sustainable future for the Horn countries and even the wider region.

In essence of this, Ethiopia's power integration ambition goes beyond merely exporting electricity and holds a myriad of notion. On a broader sense, it addresses the continent's energy poverty challenges, fosters regional integration and promotes collective prosperity across Africa.

By capitalizing on its renewable energy resources, Ethiopia, unquestionably, can help bridge Africa's energy gap while promoting economic development and environmental sustainability. Additionally, the country is positioning itself at the forefront of Africa's green energy revolution.

Most importantly, because Ethiopia's role as an electricity exporter aligns with the African Union's vision of energy connectivity across the continent, it paves the way for further collaboration in sectors such as trade, infrastructure, and environmental sustainability. In this context, Ethiopia's efforts in energy export are not only essential for powering the nation's growth but also for driving progress across the entire East African region.

In sum, Ethiopia's strategic initiatives in energy generation and exportation are not only transforming its own energy landscape but also positioning it as a pivotal player in the broader African context. By leveraging its abundant water resources and committing to regional integration, Ethiopia is fostering a collaborative environment that promises mutual benefits for its neighbors and enhances energy security across East Africa. As Ethiopia continues to develop its renewable energy potential, it serves as a beacon of hope for the continent, demonstrating how cooperation and innovation can drive economic growth and environmental sustainability. Ultimately, Ethiopia's journey toward becoming a key energy hub in Africa underscores the importance of shared resources and collective progress, paving the way for a brighter and more interconnected future for the entire region.



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# Opinion

## Building a shared future with NBI's Cooperative Framework Agreement

BY ADDISALEM MULAT

It is worth mentioning that the entry into force of the Nile Basin Initiative (NBI)'s Cooperative Framework Agreement (CFA) would grease the wheels of equitable and reasonable utilization of resources at the earliest possible juncture. It is abundantly clear that if the various predicaments unfolding in the region are not addressed as they should be, ensuring sustainable development will be an unachievable mission and insurmountable obstacle.

As nothing can be attained devoid of cooperation, pertinent bodies have worked at all hours of the day and night to attain the pursued objectives. However, with the passage of time, all their endeavors set in motion, moving forward in the right direction and accomplishing the envisioned target.

On a similar note, the Cooperative Framework Agreement (CFA) assists in the progress of equitable and reasonable resource utilization and enhances cooperation through joint projects.

In actual fact, the importance of ensuring equitable resource sharing among all Nile Basin countries is a momentous milestone in regional cooperation. It is envisioned that the agreement would foster collaboration and promote sustainable water management through time.

The pact's formal effectuation will end years of pointless argument and explain the fact that partnership is vital to handling the area giving priority to mutual advancement and collaborative success. As sticking to the colonial area agreement will not help achieve the desired goal, stakeholders should place emphasis on collaboration.

As joining the CFA becomes involved in safeguarding their long-standing water security, all concerned bodies should join hands without batting an eye. It is common knowledge that by standing together, they can elevate regional steadiness, secure their water desire, and more of the same in the shortest possible time.

Implementation of the Nile Basin Cooperative Framework Agreement ensures an equitable share of the Nile River water among the Nile basin countries, Feki Ahmed, a researcher in water resource development said.

The Nile Basin Commission which will be established among Nile Basin States will serve as important institution for using, developing, protecting, conserving and managing the river basin and its waters.

The CFA opened for signatures on May 14, 2010 and Ethiopia, Rwanda, Tanzania, Uganda, Burundi and South Sudan have ratified. Following these ratifications by 6 Nile riparian countries, officially the CFA entered into force on October 13, 2024.

He told local media that the agreement ensures to maintain equitable share of waters and benefits by nullifying the colonial treaties. The agreement had made the major water contributors countries a spectator while unjustly benefited the non-contributors for years, he added.

Any issues related to the sharing of the

Nile River waters among the upper and downstream countries will be resolved through the CFA. Furthermore, entering into force the CFA is a milestone for the Nile Basin countries towards mutual cooperation. This will lead the countries to mutually cooperate on sharing technological advancement, human power, and water utilization.

In a similar vein, CFA makes available a gateway to a more maintainable and shared future in which all nations have a role in the rational management of the river and the shared resources are disseminated equitably.

On the heels of the colonial-era treaties that approved them exclusive rights and domination over the shared resource, Egypt and Sudan have been dominantly utilizing the Abbay River. It appears clear that the CFA promotes cooperative investments in development projects, sustainable water management, and infrastructure that are advantageous to all stakeholders.

In point of fact, the CFA is a multifaceted pact geared towards safeguarding unbiased use of the Nile's water instead of giving the green light to hegemony to any particular country.

The agreement paves the way for conserving water resources and nurturing shared welfare through joint projects, which will augment collaboration among riparian countries.

In the aftermath of years of discussions, the CFA formally came into force on marking a momentous milestone towards cooperative water resource management and plummeting encounters among the Nile Basin countries.

Hydro Politics scholar at the Addis Ababa University's Department of Political Science and International Relations, Professor Ya'akob Arsanow observes that the CFA marks the end of an era that upholds the benefit of few countries from this shared water resource as it ensures equitable water sharing among all riparian nations, according to ENA.

"A fair and equitable water use system is established through agreements made between 1999 and 2010. Thirteen years later, each participating country has signed the agreement, which has been ratified by their parliaments," he stated.

According to Professor Yakob, "The basic legal framework for water use is now in place, governed by law, and aims to facilitate fair water sharing among all involved countries, preventing monopolization by a select few."

Under the agreement, the countries involved are expected to adopt a legal framework that upholds its principles ensuring equitable sharing of water resources and diminishing the exclusive rights previously held by few nations.

It is worth mentioning that since the laying of the cornerstone, Egypt left no stone unturned to halt the construction of the Grand Ethiopian Renaissance Dam (GERD), coming up with a broad range of bogus news stories and fabricated news.

To everyone's dismay, even though Ethiopia is the major contributor to the Nile River, Egypt has given the cold shoulder to the existing reality on the ground.

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

# Business & Economy

## Ethiopia's cement production boom raises hopes of construction sector revival

BY ABEBE WOLDEGIORGIS

The recent shift to a market-based exchange regime has added another layer of complexity, impacting businesses across the board, including the cement industry. Prices and supply chains are feeling the effects, prompting the government to introduce market-based cement pricing. This move allows manufacturers to set their own distribution prices, aiming to stabilize the sector.

Adding a new twist to the market, Lemi National Cement Factory, the largest cement production facility in Ethiopia, has officially entered the scene. Many are now watching closely to see how this new player will influence cement supply and pricing, with expectations that it will bring significant changes to the market dynamics. In fact for the time being the floating system continue to make the local currency value to be depreciated and which again posing deduction of the nation Growth Domestic Product but sooner it is expected to be stabilized.

The Lemi Cement Factory has daily production capacity of 10,000 tons of clinker, translating to 15,000 tons of cement per day. "Our facility is designed to meet Ethiopia's growing demand for high-quality cement. This scale of production ensures a consistent and reliable supply, contributing significantly to the construction and infrastructure aspirations of our country and the region" said Biru Wolde, the group CEO of East African Holdings.

Combined with its production line in Dire Dawa, which produces 3,500 tons of clinker per day the Lemi National Cement is redefining the dynamics of Ethiopia's cement market by increasing the national supply by 50%. This scale of production not only addresses current demand but also enables the factory to support Ethiopia's ambitious infrastructure and industrialization projects.

According to studies the availability of abundant limestone which is a core input for cement production puts the nation in advantageous position. It can be obtained particularly in the midlands and semi low land areas of the country. The areas are conducive for constructing high ways for transporting products from factories to the markets.

Nevertheless, cement production in Ethiopia remains an expensive endeavor, with manufacturers grappling with rising energy costs, unreliable coal supplies, and the burden of importing costly machinery.

These challenges ripple through the market, pushing up prices and making cement less affordable for everyday construction projects. Retailers also point to ongoing supply shortages, price fluctuations, and



Some of the emerging cement industrial plants

logistical challenges as major issues impacting the cement market.

"We are optimizing operations by adopting green energy through PanAfrique Green Energy, reducing reliance on coal and cutting costs," said Biru Wolde. "This shift also aligns with our commitment to sustainability by lowering carbon emissions."

In this regard the ongoing exploration and exploitation of renewable energy sources such as hydro power, geothermal, wind and solar will play pivotal role in liberating industries from carbon based energy dependent on the renewable one further support the sector production sustainability.

Biru noted that due to various reasons cement prices in Addis Ababa ranged between Birr 2,000 and Birr 2,900, have now stabilized at around ETB 1,500. He attributed this change to the company's strategy of supplying large quantities directly to retailers and implementing a post-purchase management system to ensure benefits reach consumers, fostering a fairer market.

Lemi National Cement is investing in cutting-edge technology to boost productivity, reduce waste, and maintain consistent product quality. By automating processes and using advanced equipment, the factory achieves high efficiency while keeping costs in check. The company also prioritizes workforce development, ensuring skilled professionals drive operational success. This is reflected in the engineers sent to China for training before the plant became operational. "These efforts strengthen Lemi National Cement's competitiveness, support Ethiopia's industrial growth, and ensure the delivery of top-quality products," he added. It also installed well and modernized west sewerage system and make the production activities environmental friendly.

In addition to that, the industry created good working environment to workers and pays relatively better wage. Economic theory suggests that when demand outpaces supply, prices naturally rise. This

has been clearly evident in the Ethiopian cement market, where high demand and limited supply have driven up prices. One of the key expectations surrounding Lemi National Cement is that its entry into the market will help reduce prices by increasing supply and competition.

"To bolster our capacity and contribute to Ethiopia's future growth, we plan to add another production line with similar capacity.

This expansion doubles our output, enabling us to better meet the nation's growing demands. With a strong focus on quality and innovation, this strategic move reinforces Lemi National Cement's role as a key player in Ethiopia's development goals," said Biru.

According to the Group CEO, Lemi National Cement is playing a crucial role in stabilizing cement prices in Ethiopia by ensuring a consistent and reliable supply of high-quality cement. "We are already seeing the positive impact, as there has been noticeable price stability recently," he said. By maintaining a steady flow of quality cement, the company helps reduce price fluctuations, bringing more predictability to the market.

As mentioned above the government is aggressively engaged in attaining economic development through transforming the economy from agricultural led in to the industrial one. To realize these created enabling environment for the expansion of manufacturing. It constructed industrial parks which the construction sector played pivotal role. One of the key ingredients for construction is cement production. Hence, strengthening the sector is essential.

The commitment of the Ethiopian government for attracting foreign investment and introducing laws to that end is a clear step toward realizing its vision of industrial growth and self-reliance. This move has given a boost to the cement sector, which has become a vital part of Ethiopia's rapid urbanization and ambitious enhancing infrastructure projects. From roads to housing and industrial parks, cement is at the heart of the country's endeavor for economic

development.

In addition, cement production broadens the value chain from production to wholesalers, retailers, and small-scale distributors. Transporting cement products also creates job opportunities for various transport firms.

The booming of the construction sector also stimulates the revival of quarries, sand producers, and daily laborers engaged in construction works.

Yet, the journey hasn't been without hurdles. Supply shortages, price hikes, and a heavy reliance on imports have made cement costly and out of reach for smaller projects, leaving many to wonder how long these challenges will persist. The increment of the price of imported inputs used for cement production and the shortage of hard currency for long hampered the sector from producing in its full capacity.

While the government continues to prioritize industrialization, the market remains concentrated in the hands of a few major players, struggling to keep up with soaring demand. In addition the involvement of illegal brokers in the trade value chain and hoarding the products to get opportunity to supply in expensive price for long affected the sector activities and the market.

"The government's focus on industrialization, coupled with large-scale construction projects, has significantly driven up the demand for cement," said Biru Wolde, the group CEO of East African Holdings. "This provides an excellent opportunity for manufacturers like our Lemi National Cement to grow and contribute to Ethiopia's economic transformation." He highlighted that the industry enjoys several competitive advantages, including Ethiopia's abundance of raw materials, such as limestone, which enables cost-effective production. Additionally, the booming construction sector and Ethiopia's strategic location in East Africa open doors for both domestic and export markets. In line with these, the availability of labor at fair prices attracted both local and foreign investors to involve themselves in the sector's business.

However, Biru acknowledged the challenges that manufacturers face. High energy costs, inconsistent coal supply, intermittent power outages, and logistical inefficiencies remain major hurdles. Currency fluctuations and reliance on imported equipment further intensify financial pressures, demanding innovative strategies to overcome these barriers. Bureaucratic bottlenecks rampant in the service provision public offices also made the sector's production and distribution sluggish

# Art & Culture

## “*Evil Days*”, a novel after 24 years, reminiscences from the writer

BY MULUGETA GUDETA

A colleague of mine had recently asked me to write something about my novel, entitled “*Evils Days*”, a book of fiction that is written in English and published a long time ago. He told me that he read the book recently and found it interesting. I accepted his request and tried to jot down something about this novel in English that only a few devote readers of fiction might remember. Even books written in local languages are not remembered for a long time and the few novels considered to be classics have now lost their luster and might be gathering dust on library shelves.

As a rule, it is difficult to write about one’s book, however the writer loves it or considers it to be his best work. What is more difficult, if not impossible, is the attempt to write or an assessment of one’s work because the writer cannot be the author and the critic of their own work at the same time.

A critic is someone who writes book reviews from an objective point of view and with a perspective to offer the reader with a true and honest evaluation of the work so that students of literature as well as ordinary reader would get a balanced viewpoint as to the merits and/or shortcomings of a given work.

Critics do not write books reviews or appraisals from an exclusively subjective point of view. Reviewing a book critically and objectively is not a matter of loving or not loving a particular work. The reviewer has to make it clear why he is liking or disliking the book and he has to present a detailed analysis of the pertinent work so that the reader or the writer would share his views or benefit from his critical analysis. Writers may have many admirers but they have certainly few critics; although critics might be more useful than admirers.

The main point is that writers should never try to write their opinions or critics of their own works and that if they do they may not do it from an objective, detached or neutral point of view. They cannot play two roles at the same time. They cannot be both writers and commentators or critics of their own imaginations.

The novel “*Evil Days*” was published in 2000, at a time when political novels were popular because the new European millennium was just dawning and politics was at the centre of daily life not only in Africa but also through the world. In Ethiopia, a new government was established back in 1991 and the need to speak out about the past was on the minds of many writers. The past for me or other writers of my generation was a treasure trove of impressions, experiences, and dreams or illusions.

If you ask me what “*Evil Days*” is all about, I would respond by saying that it is an imaginary, yet realistic portrait of Ethiopian politics between 1974 and 1991 based on the main events of the time. It is roughly the

**The novel “*Evil Days*” was published in 2000, at a time when political novels were popular because the new European millennium was just dawning and politics was at the centre of daily life not only in Africa but also through the world**

portrait of a family in Addis Ababa that was caught in the maelstroms of events triggered by the 1974 events. It is about the fate or destiny of some of the factors and actors in that historic process as the sufferings they endured and triumphed over those violent and brutal events. I chose not to write an assessment of the book for two main reasons.

First, I am not a critic. Second it would be unethical for me to write about any kind of assessment of the work with the necessary objective. For these reasons, I have omitted saying anything about the plot, setting, characters, or backgrounds of the novel because this would be the task of critics not that of the author. Literary criticism requires not only a wide knowledge of literature but also the art of literary criticism. “Literary criticism is the comparison, analysis, interpretation, end /or evaluation of works of literature. Literary criticism is essentially an opinion, supported by evidence, relating to theme, style, setting or historical or political context.”

My intention was to try to recreate, albeit in a fictional form, the stories sufferings, trials and tribulations of some of the members of my generations who were involved in one form or another in the struggles of the time. The events that were portrayed in “*Evil Days*” are realistic in the sense that they were well-documented by the author who was himself a direct participant in those events.

The main characters are supporters or opponents of the government of the time that was basically a military government that had taken over the leadership of the revolution. There were many young militants from what we called then the political Left who opposed this reality and fight to change it by force. Violence was of course inevitable in such a process and the leading character in particular, who tried to promote a middle ground between two extremes, locked in bloody confrontations.

Although the objective of the leading character in this novel was genuine and lofty, trying to avoid violence and save lives that were unnecessarily lost in both camps, his vision could not be realized because of the atmosphere of fear and revenge that surrounded the politics of that time. However the direct and indirect losses suffers by all the direct or indirect participants in those events have inspired the main character to adopt a vision of peace and reconciliation that could lead to the end to the violence and could have channel the revolution into a more constructive direction.

The killings and revenge assassinations had assumed such a horrible dimension that the leading character not only assumed a conciliatory attitude towards the struggle but also adopted a vision of peace and reconciliation as the only alternative that could have saved not only young lives but also the revolution itself that was in the process of committing suicide. Unfortunately, this vision of peace could

not materialize in this work as it did not materialize in real life.

It may be time to mention the issue of inspiration at this juncture. What was the author’s main inspiration behind writing this particular novel. Although, the author had written similar works in Amharic, there was no literature available to foreign readers who were eager to know what was going on in the country at that time. Most of the information foreigners receive came from news broadcasts or second hand oral reports or description of events.

Those media reports were either distorted or subjectively skewed depending on the attitudes of the narrators. History was in the making but it was not time to write an objective history of that period because events were fast changing and had not yet crystallizes in order to provide historian with an unbiased perspective on those events. It took many more years for historians to write about that period.

Professor Behiru Zewede, had to step into the academic scene to write an objective history of the revolution in general and that of the accompanying violence in particular. His book about the subject of change in Ethiopian society entitled, “The Quest for Socialist Utopia: The Ethiopian Student Movement, C. 1960-1974”. As an activist in the Ethiopian student movement Professor Behiru had an intimate knowledge of the actors and factors that shaped the movement which he called “socialist utopia” because the movement was basically socialist inspired and socialist oriented as it became clear later on.

Later on, when the political situation relaxed and the repression abetted, there were many writers who have produced books, both in fiction or non-fiction, and used local languages, in Amharic in particular to share their experiences. This author of “*Evil Days*” has also written an Amharic version of the same story when conditions were permissive. The Amharic title of the book is “*Endaidegem*” or “Never Again”. The book was a kind of call on readers and the public at large, not to repeat the mistakes of the past, because “those who do not learn from history are likely to repeat it”.

In the final analysis, my novel “*Evil Days*”, is a call to our collective psyche to free itself from the burdens of our history which was largely marked by conflicts and violence that did not help resolve our deeply-rooted political malaises. In this short article, my aim is, as I stated it above, to share my recollections or my impressions of a historical moment that has shaped or impacted an entire generation. Through this book, I have tried to send the message that violence might not be the final solution to the multiple challenges that history had thrown on our way. I may not be sure whether readers grasped its main message, which is one of rejection of violence and the adoption of another alternative, that of peace and reconciliation.

# Global Affairs

## Developing nations are least responsible for climate change but cop it worst. Will the COP29 climate talks tackle this injustice?

Since the Industrial Revolution, country after country has turned to fossil fuels to power their transport and industry.

Now the bill is coming due. Huge volumes of long-buried carbon are in the atmosphere, warming the planet. Climate disasters are arriving more often and getting worse.

But the pain from climate change is not distributed fairly. Developing nations are suffering the worst, despite emitting far fewer greenhouse gases. To date, two regions – Europe and North America – have contributed fully 60% of the world's total emissions. This has made them much richer, but at a cost borne largely by those of us in the Global South.

This injustice will be in the spotlight this week, as leaders and diplomats gather in Baku, Azerbaijan, for the yearly United Nations climate talks. Climate finance is high on the agenda – specifically, the vexed question of who pays.

### Who is responsible for climate change?

Historically, North America and Europe are the highest emitters.

Asia's emissions have grown sharply in recent decades, due to its high population size, sustained economic growth in China and high emitting, oil-reliant Gulf states.

By contrast, Africa and South America are each only responsible for 3% of the world's total emissions over time.

This is a necessarily simplistic picture. It hides, for instance, which companies and organizations emitted most in Europe and North America, as well as which income groups emit most.

But even at this level, it is increasingly clear the wealthiest people in the world are the highest emitters – including the rich who live in the Global South.

This unequal distribution of emissions gave rise to the principle of “common but differentiated responsibilities” in international environmental law in the 1990s.

This phrase speaks to the common responsibility to tackle climate change, the fact some nations have contributed less to the problem and some much more, and that some can respond more easily to the threat.

The idea was first articulated in the 1992 Rio Declaration on sustainable development. It was featured in the 1996 Kyoto Protocol on climate change and the 2015 Paris Agreement.

### Pain for the poor

Until very recently, economic growth went hand in hand with using ever more fossil fuels.

The problem is the benefits were localized (an industry booms, a country gets wealthier), the environmental cost was deferred until later, and the damage would be borne more widely.



*The Kariba dam between Zambia and Zimbabwe has been turned off, as water levels were too low to generate power*

If fast-growing countries like Ethiopia, and Indonesia took the same route, climate change would get even worse and the world would blow through its shrinking carbon budget.

This is just one of many cruel twists of fate. As the damage done by climate change intensifies, developing countries have to spend more of their budgets on maintaining the status quo – repairing broken bridges, keeping farmers afloat – and less on improving the lives of their citizens.

Climate change also poses major financial risks to developing nations. To cope with more and worse disasters, governments have to borrow more. More of their budgets have to go towards servicing debt, leaving less for everything else.

Right now, millions are going hungry in southern Africa, after an unprecedented drought devastated crops. Zimbabwe has lost 80% of its crops, Zambia 70%.

In 2022, catastrophic floods in Pakistan forced almost 8 million people to leave their homes and forced another 20 million to seek immediate humanitarian aid.

These disasters are bad enough. But they can also disrupt national climate efforts. The hydroelectric Kariba Dam has long provided low-carbon power to Zambia and Zimbabwe. But the water level has dropped sharply due to the drought. In September, the dam stopped generating

electricity – and brought power cuts across both nations. In response, the governments have looked to solar and even coal.

### Who pays for loss and damage?

Adapting to climate change can only go so far. In response, nations in the Global South have sought recognition of the disproportionate loss and damage they were suffering.

In 2013, the world community set up the Warsaw Mechanism for Loss and Damage in a bid to tackle this injustice.

It took a decade of negotiation, stalling and delay before agreement was reached to create the Loss and Damage Fund at last year's COP climate talks. It will be hosted in the World Bank at first. No funds have yet flowed.

This year's COP meeting has been dubbed the “finance COP”. On the table will be how to structure this fund. One challenge will be securing funding, given contributions are voluntary and the Green Climate Fund and Adaptation Fund are also seeking funding for mitigation and adaptation projects.

At present, pledges come to a meagre US\$661 billion. Wealthier countries have consistently tried to avoid liability for climate change and have blocked the use of terms such as “compensation” or “reparation”.

### Will we see progress?

In 2009, nations agreed to fund climate change adaptation and mitigation at \$100 billion a year. This figure has now been reached.

The top item at this year's climate talks will be setting a bigger goal for these climate funds. We don't know yet whether loss and damage will be included alongside adaptation (living with it) and mitigation (preventing it). Leaders and activists in the Global South have called for a much larger sum for loss and damage, starting at \$724 billion per year.

Climate change is already costing poor nations a great deal of money, estimated at \$100 to \$500 billion in damage each year.

If this year's COP is to correct this injustice, funding must be in line with expected costs. Funding should flow largely as grants, rather than loans. And wealthy nations should also contribute towards the loss and damage already being suffered.

Unfortunately, we're unlikely to see this happen if history is any guide. The COP discussions will be overshadowed by the election of Donald Trump, who has promised to give fossil fuel companies free rein.

Even so, these talks offer an important way to get wealthy nations to pay attention to the very real damage done by climate change, far from the headlines. Persistence and advocacy may still pay off.

*SOURCE: THE CONVERSATION*



# Law & Politics



## The Ankara Declaration: A pathway to regional peace, development

BY DANIEL ALEMAYEHU

The recent Ankara Declaration, signed between Ethiopia and Somalia in Türkiye on December 11, 2024, marks a transformative milestone for peace and stability in the dynamic Horn of Africa (HoA). Facilitated by the crucial mediation efforts of Turkish President Recep Tayyip Erdoğan, the agreement brought together the two nations, exemplifying diplomacy's role in resolving any disagreement and fostering regional harmony.

The declaration demonstrates that any disagreement between states can be addressed through dialogue and mutual understanding. In this case, Ethiopia and Somalia have reaffirmed their commitment to coexistence while securing their national interests. The historic ties between the two nations—strengthened through shared ancestry, culture, and sacrifices—provided a solid foundation for resolving tensions. Ethiopians have long supported Somalia's development, solidifying their status as steadfast partners in the region.

Ethiopia's call for sea access had wrongfully raised tensions with Somalia and attracted external actors keen to exploit the situation for their interests. However, Ethiopia's position remains reasonable and necessary. As the second most populous country in Africa, Ethiopia's economic growth and increasing demand for trade necessitate secure sea access. Prime Minister Abiy Ahmed (PhD) emphasized Ethiopia's willingness to negotiate peacefully, ensuring mutual benefits for neighboring states. Contrary to misconceptions, Ethiopia's aspiration is not driven by aggression but by a strategic need that aligns with regional cooperation and shared prosperity.

The Ankara Declaration, thus, underscores Ethiopia's peaceful and diplomatic approach to achieving its developmental goals. It reflects the nation's unwavering commitment to regional stability, promoting a win-win framework for collaboration. Neighboring countries have historically allowed port access to external nations, yet Ethiopia's calls for similar opportunities have often gone unanswered. Nevertheless, through persistent diplomatic engagement, Ethiopia has shown its readiness to create shared solutions that serve the common good.

Jafar Bedru, Executive Director of the Institute of Foreign Affairs (IFA), highlighted the accord's significance in advancing peace and stability. He emphasized that the agreement strengthens the bonds between Ethiopia and Somalia while addressing common adversaries and fostering mutual benefits. Befikadu Bogale, an African Affairs Researcher at IFA, added that Ethiopia's diplomatic efforts align with international law and reflect a cooperative, give-and-take approach that counters divisive forces in the region.

The Ankara Declaration comes at a crucial time when the HoA is attracting significant global interest. The agreement sets a precedent for countries in the region to collaborate on shaping their collective future, addressing shared challenges like terrorism, economic hardship, and geopolitical rivalries.

Prime Minister Abiy Ahmed reiterated that Ethiopia's quest for sea access aligns with regional integration efforts that promote peace, growth, and prosperity. He pointed out the sacrifices made by Ethiopian soldiers who defended Somalia against terrorist threats, highlighting the enduring bond between the two nations.

Associate Professor Temesgen Thomas (PhD) of Wachemo University praised the Ankara Declaration as a landmark achievement that not only resolves immediate tensions but also charts a sustainable path for Ethiopia's long-term national interests. He reflected on Ethiopia's earlier MoU with Somaliland, which triggered diplomatic challenges with Somalia, further underscoring Türkiye's timely mediation as a triple diplomatic success.

The agreement provides a framework for stronger economic integration, security collaboration, and regional unity. In an era when global competition over Africa is intensifying, the Ankara Declaration highlights the ability of African nations to take charge of their regional challenges and opportunities. The declaration also serves as an important example of Turkey's growing role as a mediator in Africa, reflecting its strategic interests in strengthening ties with HoA nations.

Importantly, the declaration also addresses shared security concerns. Both Ethiopia and Somalia have suffered from terrorism, insurgencies, and cross-border challenges that impede growth and stability. Groups like Al-Shabaab continue to destabilize Somalia and threaten regional security. Through the Ankara Declaration, Ethiopia and Somalia commit to closer cooperation in combating these common adversaries, ensuring that peace and security remain central to their bilateral relations. Enhanced intelligence sharing, joint counter-terrorism operations, and regional security mechanisms could result from this agreement, contributing to long-term stability.

Economically, the Ankara Declaration lays the groundwork for transformative opportunities. Improved cooperation can facilitate trade partnerships, cross-border

infrastructure development, and economic investments that benefit both nations. Ethiopia's access to ports will significantly reduce the cost of transporting goods and boost its economic competitiveness, while Somalia stands to gain from increased trade, investment, and regional influence. By leveraging their respective strengths, Ethiopia and Somalia can position themselves as key players in regional economic integration.

Furthermore, the declaration promotes diplomatic normalization between the two nations, reducing the risk of external actors exploiting their disagreements. The resolution of tensions demonstrates that African nations are capable of independent, collaborative diplomacy, free from external manipulation. Such initiatives enhance the region's agency in shaping its future.

As regional integration becomes increasingly vital in the face of global economic and security challenges, the Ankara Declaration sets a promising example for other African nations. It highlights that sustainable peace and development are achievable through trust, dialogue, and mutual respect.

The Ankara Declaration represents a historic breakthrough for Ethiopia and Somalia. By resolving misunderstandings through diplomatic dialogue, the agreement strengthens ties, fosters peace, and promotes regional collaboration. It also highlights Ethiopia's steadfast commitment to securing its strategic goals through peaceful, mutually beneficial solutions. As the Horn of Africa enters a new chapter of cooperation, the declaration serves as a blueprint for addressing shared challenges and unlocking the region's vast potential. It is a testament to the power of regional unity in driving sustainable peace, development, and prosperity for generations to come.

# Planet Earth

## Ethiopia's endeavor to harness its untapped potential in cotton production

BY FIKADU BELAY

Ethiopia has a diverse fertile soil, stands as a beacon of potential in agricultural production, particularly in cotton cultivation. It's a good opportunity for economic transformation and sustainable development.

According to some studies, over three million hectares of land is deemed suitable for the crop across the country. However, despite this vast potential, the actual area under cotton cultivation has stagnated at around 100,000 hectares, according to the Ministry of Agriculture. This discrepancy highlights a critical gap between capability and realization, raising questions about the future of cotton as a cornerstone of Ethiopia's agricultural and industrial landscape.

Traditionally, cotton has been recognized as a vital agricultural product integral to Ethiopia's transition towards an industrial led economy. Yet, the sector has failed to achieve significant productivity levels. Various factors contribute to this stagnation, foremost among them being the lack of governmental focus and financial investment in cotton farming. Previous administrations have often overlooked the sector, depriving it of the resources necessary for growth and innovation.

Moreover, cotton farming is labor-intensive, and the current workforce is insufficient to meet the demands of this sector. The disconnection between cotton production and industrial needs further complicates matters. Despite the capacity to produce cotton locally, Ethiopia continues to rely on imports, draining foreign exchange reserves and limiting local industry's growth.

Shimeles Alemayehu, Director of Worer Agricultural Research at the Ethiopian Agricultural Research Institute, stated that while Ethiopia has the potential for large-scale cotton farming, efforts to harness this capability have been minimal. The peak achievement was in 2003 when cotton was cultivated on 110,000 hectares, yet a mere 11% of that output was utilized.

In recent years, land utilization has dwindled to just 54,000 hectares, representing a mere 4% of the nation's potential.

Samson Assefa, CEO of Cotton Production Development at the Ministry of Agriculture, emphasized that Ethiopia boasts significant potential for irrigation, particularly in regions such as Gambela, Benishangul, Somali, Afar, Amhara (Western Gondar), and Oromia.

The cotton irrigation is crucial for both small and large farms. Each year, approximately 2,000 farmers engage in irrigation projects, and between 30,000 to 50,000 hectares of land are expected to be irrigated annually, he said.

However, despite these efforts, the number of beneficiaries remains low. In contrast,



countries like China, Brazil, and the United States have millions of farmers benefiting from similar developments, generating over five billion dollars annually from cotton production alone, he mentioned. The disparity highlights Ethiopia's missed opportunities in maximizing agricultural output and economic growth.

One of the most significant hurdles to cotton cultivation in Ethiopia is the inadequate attention and resources allocated for research and development. Low investment in these areas directly impacts the quality and productivity of cotton, Shimeles noted.

Furthermore, cotton farming requires substantial investment, making it less appealing to potential investors compared to other crops. The sector is also plagued by the threat of pests, with 68 types known to affect cotton yields significantly.

The effect of various types of pests can reduce production of Cotton by up to 65%, necessitating extensive chemical treatments. However, the costs associated with pest control deter many farmers from purchasing necessary chemicals, compounding the challenges faced by the industry, he said. The fluctuating price of cotton further complicates the situation.

Recent reports indicated that the price of a quintal of cotton has dropped by up to 2,000 birr, primarily due to labor shortages and rising costs of chemicals. These economic pressures discourage farmers from investing in cotton production, leading to a vicious cycle of underutilization.

On other hands, cotton production is vulnerable to the changing climate, which manifests through increased temperatures, altered precipitation patterns, and the frequency of extreme weather events such as droughts and floods. These climatic shifts threaten not only crop yields and livestock productivity but also the livelihoods of millions of farmers who depend on agriculture as their primary source of income.

The interplay between climate variability and socio-economic factors complicates the situation, leading to increased food insecurity and economic instability.

Addressing these issues is crucial not only for enhancing cotton production but also for improving the livelihoods of millions of Ethiopians who rely on agriculture as their primary source of income.

In this regard, the country has been active working to reduce the climate change impacts through various initiatives. Among these initiatives, under the Green Legacy initiative, the country was planting around over 40 billion seedlings in the past five years.

Despite these challenges, there have been strides in research and development aimed at enhancing cotton productivity. The agricultural research center has developed 43 improved cotton varieties, including two specifically designed to resist pest. However, the center faces challenges in ensuring that these innovations reach the farmers effectively, Shimels said.

He further stated that currently, the center's mandate is to provide technological support rather than to act as a commercial seed supplier. Yet, insufficient budgetary support and limited external assistance hinder its ability to fulfill this role effectively. The need for a self-sustaining entity to produce seeds and support farmers is more pressing than ever.

Additionally, the Ethiopian government is increasingly aware of the need for a strategic focus on cotton cultivation. For the past two years, there have been calls to place seed development under the Ministry of Agriculture, with a committee led by the Prime Minister's Office actively working to promote the sector, Samson said.

Officials believe that addressing challenges related to finance, human resources, and market relations is crucial for revitalizing cotton cultivation, he noted.

The Ministry of Agriculture is developing strategies to enhance agricultural productivity, aiming to improve the capacity for production while addressing critical issues within the sector. By fostering strong collaboration between regions and relevant institutions, the government aims to ensure a competitive supply of agricultural products in terms of quality, quantity, and price.

At this time, the domestic agricultural production process is inadequate for meeting the needs of local industries, leading to a continued reliance on imports. The Ministry is committed to improving agricultural productivity by providing improved varieties and technologies through partnership with research institutions. This initiative aims not only to enhance cotton production but also to diversify agricultural outputs.

In addition, regions play a pivotal role in the national effort to boost cotton productivity and strengthen industry connections. There is an intensive effort to improve marketing systems, input availability, and financing mechanisms, along with enhancing human resources in the sector. The government recognizes that job creation across the agricultural value chain is essential not only for meeting domestic demand but also for increasing exports.

Currently, 15,000 farmers in the West Gondar zone of the Amhara State are producing cotton to supply the Genda Wuha Ginnery. This cotton factory serves as a template for similar operations across other textile factories, promoting sustainable practices and addressing concerns related to cotton supply.

As the country strives for economic transformation, cotton cultivation could serve as a vital component of agricultural and industrial growth, contributing significantly to poverty alleviation efforts and enhancing the livelihoods of millions of Ethiopians. The time for action is now as a collective effort is needed to turn Ethiopia's cotton dreams into reality.

# International News

## With ECA Support, Morocco, the DRC and Zambia Outline Joint E-mobility Roadmap

**LUSAKA (ECA)** – Representatives from Morocco, the Democratic Republic of Congo (DRC), and Zambia at the ECA “High-Level Policy Dialogue on the Development of Automotive Regional Value Chains and E-Mobility” held in Lusaka (Zambia) on 12 December 2024 outlined a joint roadmap for the development of related value chains linking the three countries.

Senior officials and the private sector from Botswana, Lesotho, Malawi, Namibia and Zimbabwe, also participating in the policy dialogue took note of the types of automotive components (parts) that may be more readily manufactured in each country given existing capacities, enabling firms to increase penetration into automotive regional value chains.

Jointly hosted by the ECA offices for North and Southern Africa, the High-level dialogue aimed to explore strategic priorities for fostering regional value chains (RVCs) in the automotive and electric mobility (e-mobility) sectors, to evaluate partnership opportunities and refine regulatory frameworks in order to create a conducive environment for their growth.

At the conclusion of the discussions, participants emphasized the importance of integrating the project’s partnership framework into their respective national public policies and sectorial plans to ensure alignment with domestic development priorities. They recommended the signing of a memorandum of understanding in 2025 and

the inclusion of Morocco into the Zambia-DRC Special Economic Zone.

ECA will support these initiatives by finalizing the roadmap, implementation plan, and partnership framework for member States’ approval. In addition, the UN organization will undertake strategic studies, facilitate exchanges among stakeholders, and support capacity building for MSMEs in the automotive sector.

“Africa’s automotive industry is projected to grow by 40%, reaching \$42.06 billion by 2027. Simultaneously, the global transition to electric mobility presents transformative opportunities, with the global electric vehicle (EV) market projected to reach \$46 trillion by 2050,” said Adam Elhiraika, Director of the ECA Office for North Africa.

The African Continental Free Trade Area (AfCFTA) could play a crucial role in enabling Africa to seize this opportunity, Elhiraika noted. According to an upcoming study by the Economic Commission for Africa, removing tariff barriers in accordance with the agreement could significantly boost intra-African trade in intermediate goods by 2045, with projected increases of nearly 85% in the vehicles and transport equipment sector, 46% in transport services, and 28% in energy and mining.

“Positioning Africa on competitive automotive value chains requires mapping countries that can supply competitive intermediate components, and for countries

to ensure adequate policy and investment provisions to enable the development of a viable automotive sector,” said Eunice Kamwendo, Director of the ECA Office for Southern Africa in a speech delivered on her behalf.

Kamwendo highlighted ongoing challenges in Southern Africa, particularly in terms of policy frameworks, harmonization and standards for the formulation of RVCs in the automotive sector. Such gaps, which hinder economies of scale, include issues such as trade Rules of Origin, sectorial incentives within special economic zones, and pooling allied production of key components.

In a speech read in his name, Zambia’s Minister of Commerce, Trade, and Industry, Chipoka Mulenga, underlined his government’s commitment: “Our government has removed all taxes on electric vehicles, except the VAT. We have also eliminated the VAT on EVs if these vehicles are manufactured locally. Additionally, our government has committed to ensuring that at least 50% of its fleet comprises electric vehicles. This policy shift is not just a financial incentive; it is a declaration of our commitment to fostering a green economy and promoting sustainable industrialization,” he said.

The High-Level Policy Dialogue took place following a three-day workshop on the development of electric mobility regional value chains DRC – Morocco – Zambia; it brought together representatives from

governments, the private sector, experts, and development organizations from eight countries.

Discussions addressed challenges related to the establishment of e-mobility and automotive value chains, priorities for harmonizing policies across Africa, available financing opportunities, ecosystem development for research and innovation, and public-private sector collaboration to foster sustainable industrialization and improve SME competitiveness.

According to estimates, the demand for vehicles in Africa is expected to reach 10 million units annually by 2030, while the global EV market is projected to reach \$46 trillion by 2050. With approximately 30% of the world’s reserves of cobalt, lithium, and copper-key minerals for EV batteries-Africa is strategically positioned to secure a share of this market, contributing to its sustainable development and advancing its environmental goals.

However, developing African automotive and electric mobility value chains will require coordinated efforts among member states to establish an enabling ecosystem. This includes addressing regulatory inconsistencies, developing appropriate infrastructure such as charging stations, training a skilled workforce, and raising public awareness to encourage the adoption of electric vehicles.

*Source: UNECA*

## Financial, fiscal and budgetary planning is crucial for revenue collection and allocation for cities in Africa

**NAIVASHA, KENYA (ECA)** - A two-day Experts Group Meeting to review and validate the Financial Performance Assessment Report of Nairobi City has concluded with a call to African cities to ensure financial, fiscal and budgetary planning for proper resource allocation and development in the wake of increased urbanization.

At a panel discussion on Building Urban Resilience: Pathways to Revenue Diversification and Fiscal Autonomy, experts stressed the importance of financial and fiscal space diversification for African cities.

“African cities, particularly the capital cities are expected to see an influx of urban residents in the near future. It’s important to prepare for this impending urbanization wave,” said Eshetayehu Kinfu, Head, Strategic Programs Management in the Addis Ababa Mayor’s Office.

Discussing revenue collection and allocation, Godfrey Akumali, County Secretary and Head of County Public Service, Nairobi City County Government said the City of Nairobi faces liquidity problems due to heavy dependence on national government funding.

“The county aims to diversify revenue streams by leveraging technology to improve efficiency in billing and collection. Updating taxpayers’ registry is crucial to identify and track customers across all the revenue streams in Nairobi,” said Mr. Akumali.

Noting the challenge of uncollected revenue that the city faces, Mr. Akumali said going forward the city’s focus is to collect all due revenues without introducing new taxes, emphasizing the importance of capacity building in technology and internal processes.

He explained that the city is currently funded by the national government contributions and its own revenue which has grown from Ksh7.8 billion (\$ US 60.3million) to Ksh 12.8 billion (\$ US 99.06million) and the goal is to reach Ksh 13billion (\$ US 100.6million) by the end of this financial year.

“Nairobi has an annual budget need of approximately Ksh 20 billion (\$ US 155million) which is equivalent to the equitable share level necessitating an improvement in its revenue source,” he said.

“The strategy for increased revenue collection is through digital revenue collection, enhancing compliance through a customer-centric approach, and ensuring efficient use of technology.”

Mr. Akumali indicated that Nairobi City County has already started the process of enhancing revenue collection with a significant portion of revenues being collected digitally with minimal human interaction.

The goal, he said, is to enhance this system to ensure higher revenue collection without increasing the tax burden on Nairobi residents

He stressed the need for more Nairobi residents to participate in the development of the city as revenue is the basis for service delivery and emphasized the importance of partnerships with the private sector to expand the revenue base and improve public service delivery.

Jenifer Wakhungu, Deputy Director of Local Transformative Finance, UN Capital Development Fund (UNCDF), said National governments should simplify and popularize existing policies, enhance training for tech-savvy individuals and improve resource mobilization and allocation.

She emphasized the importance of research to keep up with dynamic systems and alternative financing mechanisms, including working with private financial sectors and proper fiscal planning.

Ms. Wakhungu highlighted the necessity of wealth distribution among regions especially those rich in natural resources.

“Capacity building and introducing new financing instruments such as municipal bonds are key strategies for the development of cities in Africa,” she said.

Additionally, she said local governments should partner with international organizations such as the UN in the area of financing for cities and new financing methodologies or instruments. She also emphasized the need to simplify and

popularize the existing policies to make them more actionable.

The two-day meeting was organized in collaboration with UN-Habitat, UN Capital Development Fund (UNCDF) and Nairobi City County Government and is geared towards validating and enriching the financial assessment report of the City of Nairobi.

The review is part of an ongoing project known, in UN parlance as the Development Account, which seeks to accompany six selected cities in cities in Africa - Addis Ababa, Dar Es Salam, Kigali, Lusaka, Nairobi, and Yaoundé – and assess their fiscal space limitations due increased to challenges of meeting development needs, including infrastructure and housing, healthcare and education in the post-Covid era.

Atkeyelsh Persson, Chief of Urbanization and Development at the ECA noted that, like Nairobi and Lusaka, ECA provides support to the local team to review and validate the collected data, ensuring its accuracy, completeness, and reliability before proceeding with the analysis and report preparation for all the cities.

“This step is essential for maintaining the integrity of the financial assessment report and to provide a sound basis for subsequent analysis and decision-making processes,” said Ms. Person.

*Source: UNECA*