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The Critical Importance of COP 21 for Climate Change and Ethiopia's INDC



From November 30 to December 11, the Conference of Parties, COP21, takes place in Paris. Its importance for the international political response to climate change cannot be over-estimated. 145 Heads of State and Government are expected to attend the conference and it is anticipated to attract close to 50,000 participants including 25,000 official delegates from government, intergovernmental organizations, UN agencies, NGOs and civil society. It was with the 1992 Rio Earth Summit that the climate change began to attract a global political response with the

adoption of the UN Framework on Climate Change (UNFCCC). Subsequently, the UNFCCC set out the first annual Conference of Parties (COP) along with the aim to stabilize atmospheric concentration of greenhouse gases. The first annual COP, to review the implementation process, took place in Berlin in 1995. The Kyoto Protocol was adopted at COP3; COP11 produced the Montreal Action Plan; COP15 in Copenhagen failed to provide an agreement to succeed the Kyoto Protocol; the Green Climate Fund was created at COP17 in Durban.

Ethiopia was one of the first countries to submit its Intended National Determined Contribution (INDC) in June this year. This makes an ambitious commitment to curb its greenhouse gas emissions between now and 2030. The Ethiopian INDC has been developed through an inclusive process and aligned with the national development plan plus the Climate Resilient Green Economy Vision and strategy of the country. Ethiopia intends to limit its net greenhouse gas (GHG) emissions to 145MT CO₂ or lower in 2030 that is a 64% reduction from the 'business-as-usual' conventional economic growth which would more than double by 2030. The INDC figure is a mitigation scenario including explicit steps to combat greenhouse gas emissions; one example to help achieve the country's Green Economy Strategy that the INDC mentions is carbon credit selling. This is a major development

*The Embassy of the Federal Democratic Republic of Ethiopia in Ottawa is located at
1501 - 2 75 Slater Street, Ottawa, ON, Canada K1P 5H9. Tel: 613 565 6637 Fax: 613 565 9175
e-mail: info@ethioembassycanada.org, Website: www.ethioembassycanada.org*

and it is an impressive target, not least because Ethiopia contributes only 0.3% of global emissions.

Ethiopia's INDC emphasizes the extensive adaptation planning process taking place and the necessary medium- and long-term actions to reduce vulnerability in key priority areas relating to drought, floods, and other cross-cutting interventions. These include capacity building to cope with the spread of diseases; strengthening water resource management, and developing insurance that can support farmers and herders in times of disaster. The adaptation component also notes that to achieve its long-term goal, action will be needed to identify capacity gaps and build capacity to mainstream adaptation into all public and private development initiatives. It also notes that the response requires participation of the entire population which also means increasing status of women, welfare of children, and the well-being of the elderly, disabled, and environmental refugees. The Ministry of Environment and Forest will, according to INDC, organize monitoring and evaluation of these adaptation plans which are subjected to consultative dialogues to review their implementation. The country will also remove fossil fuel subsidies to enable enhanced generation and use of clean and renewable energy. If Ethiopia's contribution is fully implemented, it would reduce per capita emissions to 1.1 TCO₂e by 2030 which exceeds expectations for both fairness and ambition while contributing towards the achievement of the objective of the Convention.

Finance will remain an issue. At Copenhagen there was a commitment to mobilize US\$100bn per year by 2020, together with the Fast Start Finance pledge of \$30billion. Over the past six years the money has been slow to appear. Adaptation finance has been neglected, and finance will be needed to

seal any deal. The two most critical factors to determine whether Paris sufficiently helps those on the frontline of the impact of climate change will be whether there is enough finance in the deal for Least Developed and poorer countries; and secondly on the strength of the mechanisms to keep the goal of 1.5°C, or 2°C, or even increase targets after 2020, and keep these within reach when the INDCs and the new agreement take effect.

PM Expects More Trade, Investment from Upcoming Forum on China-Africa Cooperation



Prime Minister Hailemariam Dessalegn said the Forum on China-Africa Cooperation (FOCAC), which will be held on December 4 to 5, 2015 in Johannesburg, can bring more trade and investment between China and Africa.

Hailemariam said relations between China and Ethiopia are an example of China-Africa ties. Both countries have a strong party and “China now has the Chinese dream that the Communist Party of China is promoting. But Ethiopia also has the Ethiopian Renaissance, and we want our people to achieve that end. So I think this helps us to synchronize and to understand each other,” the premier stressed.

Both countries know that a free market is not the solution to everything, said Hailemariam, adding that for a lesser developed country like Ethiopia,

government needs to play a strong role. “China and Ethiopia are similar in terms of having a strong government that leads the development process”.

The PM appreciated China’s contribution to Ethiopia’s economic development. The Chinese government not only helps with Ethiopia’s infrastructure but also in training, research, cooperation and science and technology. China also provides huge investments in Ethiopia’s light manufacturing, textiles and apparel, leather products, footwear and agro-processing, he indicated.

Ethiopia will move forward from an “agriculture country,” to “industrial country” and the country expects more manufacturing investments from China. It is also seeking cooperation in tourism, he added.

According to Hailemariam, the relationship between China and Africa is based on mutual benefits, respect and no interference in domestic affairs, and these have formed the foundation of the Africa-China win-win relationship.

Transport Minister Attends ICAO Conference

H.E. Dr. Workineh Gebeyehu, Minister of Transport of the Federal Democratic Republic of Ethiopia, attended the World Aviation Forum held from November 23-25 in Montreal, Canada. On the margins of the meeting H.E. Dr. Workineh met and discussed with his Canadian counterpart the Honourable Marc Garneau, Minister of Transport of Canada, on issues of mutual concern. Mr. Tewolde Gebremariam, CEO of Ethiopian Airlines, who was in attendance at the meeting highlighted the strong ties that Ethiopia has with

Canada in the field of aviation. He, mentioned that Ethiopian Airlines flies to Toronto three times a week connecting travelers from Canada to 50 destinations in Africa. He also added that Ethiopian Airlines operates 17 Bombardier aircrafts for its domestic and regional flight operations.



H.E. Dr. Workineh Gebeyehu, Minister of Transport with ICAO Secretary General Dr. Fang Liu

H.E. Dr. Workineh co-moderated a panel discussion on High-level Dialogue on the Inter-sectorial Collaboration of Aviation Strategies for the Sustainable Development Goals (SDGs). The panel discussion provided industry perspectives on the importance of aviation and its significant role in economic development.

Mr. Tewolde Gebemariam, Co-Chair, High-Level Advisory Group on Sustainable Transport and CEO of Ethiopian Airlines presented an airline industry perspective on the strong link and contribution of aviation to sustainable development by citing the experience of Ethiopian Airlines.

Over 800 Ministers and senior officials from States, UN and international organizations have participated on the World Aviation Forum held at the headquarters of the International Civil Aviation Organization (ICAO), taking part in a series of landmark discussions on sustainable aviation development, tourism growth, and other critical air transport concerns at the first-ever ICAO World Aviation Forum.

Ethiopia Poised to Become Middle Income Country by 2025: World Bank

Ethiopia has witnessed rapid economic growth, with real gross domestic product (GDP) growth averaging 10.9% between 2004 and 2014, which is lifting the country from being the second poorest in the world in 2000 to becoming a middle income country by 2025, if it continues its current growth trajectory, World Bank Report said. The report launched on November 23, 2015, noted that fueled by substantial public infrastructure investment and a conducive external environment, the country's growth has been stable, rapid and it has managed to decrease poverty substantially. In the report launched at Addis Hilton Hotel under the title "Ethiopia's Great Run: The Growth Acceleration and How to Pace It", the bank pointed out the reasons behind the impressive growth and also puts forth policy suggestions on sustaining it. According to the report, Ethiopia's growth was concentrated in services and agriculture on the supply side, and, private consumption and investment on the demand side. While agriculture was the main economic sector at

the beginning of the take-off, the services sector gradually took over and was complemented, in recent years, by a construction boom, it was stated. Out of an average annual growth rate of 10.9 percent in 2004-14, services contributed by 5.4 percentage points followed by agriculture 3.6 percentage points and industry with 1.7 percentage points.

Moreover, the private consumption contributed to most growth on the demand side with public investment becoming increasingly important. "Ethiopia began to see accelerated economic progress in 1992 and it shifted to an even higher gear in 2004, pulling millions of people out of poverty and leading to improvements in other areas like improved life expectancy and reduced child and infant mortality," said Lars Christian Moller, the World Bank Group's lead economist for Ethiopia and the lead author of the report.

The third recommendation is about the need to tap into the growth potential of reforms. If Ethiopia can catch up with its peers in Sub-Saharan Africa in terms of financial modernization, its per capita GDP growth rate would increase by 1.9% per year, the report pointed out. While Ethiopia has so far modernized its merchandise trade, the country could reap rewards by reforming the service sector. In doing so, it can benefit from the lessons of other countries and tailor reforms to its own circumstances, the bank said. Moving forward, the report also proposes a series of indicators that would monitor the trade-offs that could occur while implementing the current growth strategy. This could provide early warnings to policy makers and help initiate reform efforts to sustain higher growth. (ENA

Business and Economy

Ethiopia Ideal for Major Int'l Brands, Investors: IMF Report

The recent International Monetary Fund (IMF) report said relative absence of corruption, inexpensive labor costs, financial incentives and lack of security risks renders Ethiopia a strategic market with the possibility of attracting several investors from all over the world, according to African Business.

In October alone, Ethiopia welcomed pharmaceutical and agricultural companies from Asia and the Middle East while Standard Bank announced the opening of the first representative office in the country, the report pointed out.

Agriculture, infrastructure, manufacturing and energy sectors continue to draw Ethiopia considerable international investment while investment on the service sector is growing, attracting major online international brands such as Jovago, Lamudi, Everjobs and Kaymu.

Among the giant investments in the country, Maersk Oil has agreed to buy half of Africa Oil Corporation's shares in three onshore exploration licenses in Kenya and Ethiopia for an estimated investment of USD 845 million.

The acquired licenses cover exploration areas in northern Kenya and South Omo in Ethiopia, it was indicated.

Ethiopia received over 1.8 billion USD investment in 11 projects from Asian companies that are increasing their presence in the country, according to the magazine.

In 2014, two major companies from India invested USD 550 million constructing Africa's largest plant to produce cotton yarn for export. Similarly MNE, a Chinese company, built a USD 500 million textile plant estimating to create over 20,000 jobs.

For non-metallic and mineral products, USD 2 billion worth of Foreign Direct Investment (FDI) was recorded in 13 projects. Private equity continues to drive many of the largest investments into Ethiopia.

KKR, an American company made its first direct investment in Africa in 2014, investing USD 200 million in Ethiopia's rose production company Afriflora. Foreign clothing and leather companies also invested over USD 2 billion propelling the industry into a new record height.

Investment in East Africa has become more concentrated on the top five economies which have increased the investment share from 62% to 71% of total flows.

According to African Business, Ethiopia entered the top five for the first time, in terms of value of inflows, while Mongolia dropped out of the top five owing to a quick 76% fall in FDI flows according to the World Investment Report 2015. The largest investors last year came from developing countries which increased their share of flows from 44 % to 63 %, the same report reads.

Similarly the IMF recently reported that, in spite of sub-Saharan Africa's slow economic forecast of 3.75% growth, Ethiopia is expected to grow by 7%. With the government plan to liberalize 80% of the

country's trade in order to stimulate growth, the forecast is expected to increase further. (ENA)

The First Ethio-Netherlands Business and Investment Forum

The Netherlands opened a Legation in Addis Ababa in 1951 and expanded this to a fully functioning embassy in 1960. Since then, the two countries have experienced steadily growing diplomatic and economic relations. Equally, both have believed that they could further strengthen their cooperation in an orderly, scientific and organized way to effectively gain mutual benefit. One result of this has been the first Ethio-Netherlands Business Forum which was held in Rijswijk in the Netherlands on November 5-6/2015.

The Business and Investment Forum held under the title of "A Growing Investment Opportunity" was attended by a fifty strong delegation of government officials and private sector representatives, led by Ahmed Shide, State Minister of the Ministry of Finance and Economic Cooperation of Ethiopia.

The principal objective of the event was to inform the Dutch private sector about the business and investment opportunities in Ethiopia. Taking the priorities of the Ethiopian government into consideration as well as the Dutch Development Cooperation Program and Dutch expertise, the event concentrated on seven sectors: textiles, logistics and construction, oilseeds, seeds, dairy production, poultry and spices. The Netherlands-African Business Council (NABC) carefully prepared reports in each of these seven sub-sectors under the heading of "Business Opportunity Reports." These were identified as important inputs for the first Ethio-Netherlands Business and

Investment Forum as the Ambassador of the Netherlands to Ethiopia, Ambassador Lidi Remmelzwaal explained in her forward to the Reports. The event, according to Ambassador Teshome Toga, Ambassador of Ethiopia to the BENELUX, Baltic Countries and Permanent Representative to European Union, was largely a result of the second round of political consultations which took place at the Hague in March this year. One of the main items on the agenda in those discussions was revolved around the need to further stimulate economic relations by maintaining and diversifying the foreign direct investment and trade between the two countries.

The first day of the Ethio-Netherlands Business and Investment Forum was marked by a series of bilateral events between the participants, including a general plenary session, sectoral workshops, business networking and a meeting with the Dutch Flying Swans Consortium. The main bilateral meeting was between Ahmed Shide, Ethiopia's State Minister for Finance and Economic Cooperation and Christiaan Rebergen, Vice Minister and Director General for the Netherlands' Ministry of International Cooperation. Ethiopia's double digit growth has been providing the basis for advancing towards the aim of achieving lower-middle income status by 2025, and a central element in this has been the pro-poor policy of Agriculture-led Industrialization. This also involves the effort to involve countries like the Netherlands a key part of the development effort.

During the discussions, Ato Ahmed, who has recalled that there were a significant number of Dutch companies working in Ethiopia, also mentioned that opportunities available in the country were by no means fully exploited. The State Minister said the Government of Ethiopia had a strong desire and commitment to stimulate Dutch

private sector investment in Ethiopia. The discussion highlighted the trade opportunities between Ethiopia and the Netherlands and what the two countries could do to put the already strong relations between them on a higher level. The Dutch side confirmed that the Netherlands included Ethiopia in almost all financial instruments available to encourage the private sector to invest in developing countries. This was underlined by the remarkable record of the Netherlands with more than 212 Dutch companies having secured investment licenses so far. Out of these, 118 are

operational, 44 are on an implementation level, and 50 are in a pre-implementation stage.

State Minister Ahmed Shide in his opening speech at the general plenary session mentioned Ethiopia's place as the world's 6th largest producer of coffee and the 3rd largest producer of Arabica beans; the 4th largest non-EU exporter to the EU cut-flower market and the 2nd largest flower exporter from Africa. He noted that the Netherlands was the main export destination for Ethiopian flowers, accounting for 80% of the country's total flower export

Tourism and Culture

Lucy in the Sky



It is believed women consist half of the Ethiopian population and without their equal engagement and treatment in all aspects of life; the country's vision of becoming a middle-income economy cannot be attained.

Though the conditions which they have entitled such as rights, power, and opportunities have been significantly improved, social, cultural, economic, and even psychological change is still needed. Ensuring gender parity in workplaces is one of the

key priorities of the Ethiopian government and it has been executing various undertakings in this regard.

The Ethiopian Airlines, the national flag carrier, is among the entities that have significantly increased women's participation in various capacities.

33 percent of the *Ethiopian* staff including the Vice President for Marketing, the second most important position only after the CEO, are females. It is with this motivation that *Ethiopian* has decided to dispatching its first-ever flight operated by an all-female crew. By dispatching an all-women crew flight for Bangkok, Thailand, the airline wants to promote women's empowerment and encourage more African girls pursue aviation careers.

This is the first time in the airliner's history that an all-women crew operates the flight both on the ground and in the sky.

During an event organized before the departure, the 11 member crew stood in line wearing their flight attire and sparkling smile in a way that inspire fellow sisters to break the socio-cultural chains that trapped them.

CEO of the Ethiopian Airlines, Tewelde Gebremariam called the flight as the manifestation of the vision of the corporate to empower women in the aviation industry. Minister of Women and Children Affairs Zenebu Tadesse stated that this flight is a showcase for Ethiopia's success in minimizing gender parity in workplaces. She said: " we are grateful to see Ethiopian Airlines breaking gender inequality and stand for galvanizing the effort undertaken at national level. There is considerable lesson and experience many countries can draw from Ethiopian Airlines in realizing dynamic change in general and in empowering women for sustainable growth in particular." Zenebu indicated that citizens' dream for a peaceful and prosperous Ethiopia can only be attained when the nation manages to fully empower women and see more successful women as in the case of the all-women flight crew.

In spite of the efforts to ensure benefit of women, there is still a huge gap in improving women participation especially in decision making, said First Lady Roman Tesfaye. She added that education is the tool to ensure gender equality, and expressed the initiative by the Ethiopian Airline as a demonstration of women capacity, if they are given equal chances with the men. She appreciated Ethiopian for taking the lead in ensuring gender parity in the aviation industry and called other organizations to do the same. Crew members starting from flight dispatchers to load controllers, ramp operators to baggage and cargo handlers, aviation safety controllers to ticket officers and air traffic controllers are women.

By deploying an all-women flight, the Ethiopian Airlines, the leading airliner, displayed the fact that women are strong enough to do anything and are capable of reaching the highest level. That only requires equal chances.

Ethiopia Named Exotic Tourist Destination of 2015

Ethiopia was awarded the top travel destinations of 2015 by the Russian branch of the National Geographic Traveler magazine.

The East African country named as top travel destinations of 2015 following the readers and viewers of this Journal were requested to vote on line for a specific destination of their choice, among the candidate countries in 12 different categories.

Russian viewers and readers of the Journal voted Ethiopia as the winner of the award in the category of "Exotic Tourist Destination of 2015" among the other two candidate destinations i.e Vietnam and South Africa.

Ambassador of Ethiopia to the Russian Federation, H.E. Girum Abay received the award on behalf of Ethiopia at a ceremony held in Moscow on 18 November. (ENA)



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