



“Under PM Abiy’s administration, political space in Ethiopia has opened dramatically. Constitutional rights, including freedoms of assembly and expression, are now widely supported at the level of the federal government, though the protection of these rights remains uneven at regional and local levels. Most political prisoners have been released, though there have been some concerning reports of short-term detentions. Opposition parties usually operate freely, although regional and local authorities have occasionally employed politically-motivated procedural roadblocks to hinder opposition parties’ efforts to hold meetings or other party activities. The media has become significantly freer following reforms instituted by PM Abiy Ahmed. Still, journalism in the country remains undeveloped, social media is often rife with unfounded rumors, and government officials occasionally react with heavy-handedness, especially to news they feel might spur social unrest. PM Abiy has also initiated a process of modernization, de-politicization, professionalization, and civilian accountability in the security services.”

From: US Department of State Statement: Ethiopia’s 2020 Investment Climate
<https://www.state.gov/reports/2020-investment-climate-statements/ethiopia/>

Introduction:

Recently TPLF supporters have engaged in rigorous disinformation campaign and propaganda warfare against Ethiopia in order to mislead the Biden Administration and US Congress about the current situation in the country. A few days ago, TPLF lobby organization, part of a group which recruits child soldiers for use in front line combat, said that it is working with USTR in order to remove Ethiopia from eligibility benefit of AGOA in 2022. TPLF actions are directed at both the common interest of the United States and Ethiopia, especially in the trade and investment sectors which are now growing. The Ethiopian government recently declared a unilateral, unconditional ceasefire, while the TPLF is expanding its war activity. Delisting Ethiopia at this moment would penalize a government, which has acted in line with US policy and the demands of the international community, while rewarding the TPLF - which continues to expand its war activity.

It is unfortunate that TPLF supporters are trying to politicize AGOA for their agenda on Ethiopia.

Despite TPLF lies and hidden political agenda, Ethiopia fulfills eligibility criteria which we will briefly explain in this paper. We also strongly believe that the nation’s continued AGOA

eligibility is in the best interests of Ethiopia, its people, the wider region and the policy objectives of the United States Government.

Why Ethiopia is eligible for AGOA benefit renewal for 2022:

In line with Section 104 of AGOA, Ethiopia continues to satisfy eligibility requirements for AGOA benefit renewal for the year 2022. Here are some of the reasons that clearly demonstrate Ethiopia's eligibility.

1. A market-based economy

The Federal Government of Ethiopia has embarked on homegrown economic and political reforms that create a suitable atmosphere to the private sector to grow so that it will play a dominant role in the national economy. On February 23, 2021 IMF issued a Press Release that reads:

"Consistent with their Homegrown Economic Reform Program, the authorities are implementing reforms to boost the role of the private sector in the economy. Adoption of the new Commercial Code and Alternative Dispute Settlement Proclamation will facilitate private investment."
[\[https://www.imf.org/en/News/Articles/2021/02/23/pr2146-ethiopia-imf-reaches-a-staff-level-agreement-for-1st-and-2nd-reviews-of-ecf-and-eff\]](https://www.imf.org/en/News/Articles/2021/02/23/pr2146-ethiopia-imf-reaches-a-staff-level-agreement-for-1st-and-2nd-reviews-of-ecf-and-eff)

Ethiopia's economy is one of the fastest growing economies in Africa. Even during the difficult year of 2020/2021, Ethiopia's economy has registered positive growth and heading towards an impressive rebound unlike many economies in the world. According to Reuter's news on April 23, 2021:

"In February, the International Monetary Fund said that Ethiopia's economic growth is projected to be 2% in 2020/21, largely due to the effects of the coronavirus, but it is expected to rebound to 8.7% in 2021/22 in line with a global recovery". (<https://www.reuters.com/world/africa/ethiopia-signs-907-mln-financing-pact-with-world-bank-2021-04-23/>)

The recent reform in telecommunication sector is another positive achievement by the government. According to the article written on 'Collaboration on International ICT Policy for East and Southern Africa (CIPESA)' website on May 24, 2021 the Ethiopian government announced a new telecommunications license which had been awarded to the Global Partnership for Ethiopia – a consortium comprising Kenya's Safaricom PLC, Vodacom Group, Vodafone Group, the United Kingdom's development finance institution CDC Group plc, the Japanese-owned Sumitomo Corporation, and the Development Finance Corporation. The award is likely to boost quality of service provision and promote access to information online for Ethiopia. Furthermore CIPESA said:

The liberalization of Ethiopia's telecommunications sector is part of the country's ongoing reforms to promote social, political and economic development. Reform efforts under the premiership of Abiy

Ahmed have included the release of prisoners and dropping charges against opposition actors and activists. [<https://cipesa.org/2021/05/gggg/>]

As it can be recalled the Federal government in July of 2018 announced its intention to privatize a minority share of Ethiopian Airlines, Ethio-Telecom, Ethiopian Shipping and Logistics Service Enterprise, and power generation projects, and to fully privatize sugar projects, railways, and industrial parks.

2. The rule of law

Abiy's government has successfully conducted reforms in justice system. It has revised the draconian anti-terror ism law that was put in place by the TPLF government to weaken and eliminate opposition parties. Furthermore, Abiy's government came up with other laws that are designed to strengthen rule of law in Ethiopia. In a statement issued in May 2020, the International Bar Association Bar Issues Commission (IBA BIC) sent a report to Ethiopian Prime Minister Abiy Ahmed Ali backing reforms. [IBA-BIC indicated reform programs have taken place in the following sectors:](#)

- Anti-terrorism law (a revised version)
- [New liberal media law in Ethiopia - Fojo Media Institute](#)- The Ethiopian parliament approved a proclamation on 2 February 2021 to install new liberal media laws in the country. The passing of new laws is an important landmark for the reform process started by the Prime Minister Abiy Ahmed in 2018.
- [A law to guide future elections](#) – Ethiopia's parliament unanimously passed a new election law, entitled "Ethiopian Election, Political Parties Registration and Election Ethics" on Saturday 24 August ahead of the June 2021 national elections. The new law merges three separate statutes that previously enacted the election procedure, party rules and registration processes. The government wanted to put better legal structures in place. The motivation for the electoral changes, beyond reforming the country's flawed election system, is to strengthen political parties.
- [A new law to strengthen freedom of association](#) – In a press release regarding this law, [Freedom House](#) wrote "this law is the first major legislative reform measure that the administration of Prime Minister Abiy Ahmed has taken toward ensuring an open operating environment for civil society. The measure demonstrates Ethiopia's growing commitment to respecting and protecting freedoms of association and assembly. We commend Prime Minister Abiy's government for prioritizing civil society legislation, as this acknowledges the devastating effects of the previous legislation over the past ten years."

Ethiopia's reform at the justice system which impacts rule of law has been widely accepted and praised by organizations that have authority in that sector. Further to the above report, on May 25, 2020 the *IBA BIC* wrote the following:

Ethiopia has undergone considerable reform to move towards democratization and a more open society under the new leadership of Prime Minister Dr. Abiy Ahmed, who entered office in April 2018. He has initiated an ambitious program of reforms in order to build a legislative framework for modernizing, democratizing and strengthening those institutions relevant for an open society. These reforms have included efforts to address corruption and discrimination in the justice sector. <https://www.ibanet.org/article/C36CC061-AFDA-4D34-9E1E-4B7C5B76EE0E>

3. Political pluralism

A multi-party election took place on June 21, 2021 in Ethiopia. An election did not take place in Tigray region because of the law enforcement activities. Elections in the Somali region and some districts will take place in September. In the rest of the country elections took place. International observers noted that elections took place peacefully throughout polling stations. Despite some technical difficulties and some capacity problems the election was declared free and fair by many observers. The election was led by independent body, the National Election Board of Ethiopia (NEBE) and the following is the result of Election 2021 as announced by NEBE.

The East African Standby Force Election Observation Mission declared that “based on the information collected, the EASF Election Observer Mission concludes that the 6th general election held on 21st June, 2021 in the Federal Democratic Republic of Ethiopia was conducted in calm and peaceful manner.”

<https://www.easfcom.org/images/phocagallery/2021/06-june/11-eoms-preliminary-statement/EASF-EOM-Preliminary-Statement-Ethiopia-General-Election-June-22-2021.pdf>

Parties and coalitions:

Party	Main ideologies	Political position	Leader	Current seats
Prosperity Party	Liberalism	Centre ^{[43][44]}	Abiy Ahmed	410
National Movement of Amhara	Amhara nationalism	Right-wing	Belete Molla	5
Ethiopian Citizens for Social Justice	Liberalism Ethiopian nationalism	Centre	Berhanu Nega	4
Medrek	Social democracy	Centre-left	Merera Gudina	0

Ogaden National Liberation Front	Somali nationalism	Centre-left	Mohammed Omar Osman
All Ethiopian Unity Party	Federalism	Centre-right	Mamushet Amare
Balderas Party	Conservative liberalism Addis Ababa localism Nationalism	Centre-right	Eskinder Nega

Source: https://en.wikipedia.org/wiki/2021_Ethiopian_general_election#Parties_and_coalitions

4. The right to due process

Article 19 of the Ethiopian constitution provides that a person arrested or detained has the right to be brought to trial and informed of the charges against him within 48 hours of arrest, though extra time is allowed as required for travel to the court.

The new Federal Government led by PM Abiy has introduced reform to Ethiopia's prison system (there is one Federal prison system and ten regional prisons in Ethiopia) to improve conditions and enhance due process of prisoners. In order to build capacity [which is a critical task in the Ethiopian justice system] rigorous trainings and nation-wide education have been conducted for law enforcement agent, including a successful 'training of trainers' programme run by the UN Office on Drugs and Crime (https://www.unodc.org/easternafrika/en/Stories/training-of-trainers_-enhancing-expertise-in-the-criminal-justice-system-in-ethiopia.html) .,The Government has also established the '*Aeltu Training Centre*' which is engaged in training prison officers for both federal and regional prisons. The new Prison Proclamation No. 1174/2019 indicates a positive shift towards rehabilitation, reintegration, and protection of human rights. Approximately 40,000 inmates were released as part of the government's large-scale pardons in 2020 to prevent the transmission of COVID-19 in places of detention.

5. The elimination of barriers to U.S. trade and investment

According to US Department of State assessment of Ethiopia's investment climate in 2020 which is obtained from [<https://www.state.gov/reports/2020-investment-climate-statements/ethiopia/>] Ethiopia's economy is in transition. It came off a decade of double-digit growth. The Government of Ethiopia (GOE) has tightened its belt, reducing inefficient government expenditures and attempting to get its accounts in order at bloated state-owned enterprises (SOEs). Just in the last year, the GOE has also introduced a new and more liberal investment code, started the privatization process for the telecommunications monopoly, and eliminated numerous burdensome regulations. The IMF put the growth of the Ethiopian economy at 9 percent for FY2018/19, driven by manufacturing and services. While recent growth estimates have been revised downward due to the COVID-19 pandemic, growth

prospects for Ethiopia remain better than those for most Sub-Saharan African nations. Ethiopia is the second most populous country in Africa after Nigeria, with a population of over 110 million, approximately two-thirds of whom are under age 30. Low-cost labor, a national airline with well over 100 passenger connections, and growing consumer markets are key elements attracting foreign investment.

The Industrial Park Proclamation 886/2015 mandates that the Ethiopian Industrial Parks Corporation develop and administer industrial parks under the auspices of government ownership. An investor who operates in a designated Industrial Development Zone in or near Addis Ababa is entitled to two years of income tax exemptions, and four more years of income tax exemption if the investment is made in an industrial park in other areas, provided 80 percent or more of production is for export or constitutes input for an exporter. American companies have taken this opportunity to invest in Ethiopia. According to the data from US Embassy in Ethiopia, US direct investment in Ethiopia stands at more than \$676 million and US is the fourth largest sources of such investment in Ethiopia.

6. Economic policies to reduce poverty

According to Ethiopia's Economic strategy document entitled "Sustainable Development and Poverty Reduction Program (SDPRP) the fundamental development objectives of Ethiopia are to build a free-market economic system in the country, which will enable:

- The economy to develop rapidly,
- The country to extricate itself from dependence on food aid; and
- Poor people to be the main beneficiaries from economic growth.

According to the World Bank Press Release of April 16, 2020 sustained rapid economic growth in Ethiopia translated into strong poverty reduction in urban areas, with the poverty rate tumbling by 11 percentage points, from 26% in 2010/11 to 15% in 2015/16, the date of the most recent survey on poverty and living standards. In rural areas of Ethiopia, the reduction in poverty was relatively slow with the poverty rate decreasing by four percentage points from 30% in 2010/11 to 26 percent in 2015/16. Non-monetary dimensions of welfare, such as education, health, and access to water and sanitation, improved alongside the reduction in poverty, but generally remain at a low level.

<https://www.worldbank.org/en/news/press-release/2020/04/16/ethiopia-has-made-major-strides-in-poverty-reduction-but-disparities-inequality-remain>

The continuing success of economic development and free market reforms will be vital to help alleviate the growing hunger crisis in Tigray. Without the agreement of TPLF to a ceasefire, which the Ethiopian Government has already backed, the famine will be hard to end. But if international pressure can be brought to bear to ensure this, humanitarian assistance will be urgently needed, but so will sustainable economic development. AGOA is vital to these efforts for Ethiopia.

7. A system to combat corruption and bribery

The Federal Government of Ethiopia has zero tolerance on corruption and bribery. According to the above-mentioned *US Department of State assessment of Ethiopia's investment climate in 2020*, PM Abiy Ahmed has launched a corruption clean-up that has resulted in several hundred arrests. In connection with the embezzlement schemes involving hundreds of millions of U.S. dollars, particularly with government procurement irregularities, the government arrested and charged in September 2018 over 40 mid- and senior-level Metal Engineering Technology Corporation (METEC) officials. Similarly, the government arrested 59 officials and businesspeople suspected of corruption in April of 2019. A former Communications Minister was charged with corruption and mismanagement of public companies in May; he was sentenced to six years in jail. The Federal Ethics and Anti-Corruption Commission (FEACC) are charged with preventing corruption and are accountable to the Office of the Prime Minister. The Commission provides ethics training and education to prevent corruption. The Federal Police Commission is responsible for investigating corruption crimes and the Federal Attorney General handles corruption prosecutions.

The Attorney General's Office opened in February a new and consolidated Anti-Corruption Directorate to recover stolen assets and fight corruption. The Directorate is empowered to enter into mutual legal assistance treaties (MLAT's) and otherwise coordinate with foreign nations to fight corruption.

The Federal Police is mandated with investigating corruption crimes committed by public officials as well as "Public Organizations."

Ethiopia's anti-corruption efforts have been recognized by Transparency International's Corruption Index. In 2020, Ethiopia rose two places up the index, after a further 18 place rise between 2018 and 2019.

(<https://www.transparency.org/en/cpi/2020/index/nzl>;
https://images.transparencycdn.org/images/2019_CPI_Report_EN.pdf.)

8. Protection of internationally recognized worker rights

Ethiopia has ratified all eight core International Labor Organization (ILO) conventions. The Ethiopian Criminal Code and the 2019 Labor Proclamation both outlaw work specified as hazardous by ILO conventions. The Ethiopian Parliament ratified ILO Convention 182 on the Worst Forms of Child Labor in May 2003. Employers are prohibited from hiring children under the age of 15, and the minimum age is 18 for certain types of hazardous work. Ethiopia has a National Action Plan (NAP) for the Elimination of the Worst Forms of Child Labor, which it is currently updating.

In April 2020, the Ethiopian Parliament approved and published in the federal gazette the new Anti-Human Trafficking and Smuggling Criminal Proclamation 909/2019. The new legislation breaks down silos between stakeholder agencies, provides clear guidelines regarding how anti-trafficking efforts are funded, and provides clear, commensurate penalties for those involved in trafficking.

The Overseas Labor Proclamation legalizes and regulates the employment of Ethiopians in foreign countries. The law does not disallow Ethiopians from migrating to other countries to seek work, but it imposes requirements that are lengthy and expensive, making irregular migration more attractive for many. The main driver for irregular migration is economic incentives. Although trafficking remains problematic, experts report that the GOE has increasingly shown the political will to address this issue.

In one of its signature achievements, the Federal Government of Ethiopia has now reached 94 percent for the primary school enrollment rate (age 7 to 14) in the country. The Office of the UN Special Envoy for Global Education has praised Ethiopia's "remarkable progress in recent years" on education (https://educationenvoy.org/countries_issues/ethiopia/).

To increase the skilled labor force, the Government has undertaken a rapid expansion of the university system in the last 20 years, increasing the number of higher public education institutions from three to 49. It has adopted an education policy that requires 70 percent of public university students to study science, engineering, or technology subjects.

Concluding Remarks

This paper serves to highlight why Ethiopia is deserving of continued AGOA eligibility. Delisting the country now would imperil not only anti-poverty and economic development efforts but would also damage US interests in Africa and go against the purpose of AGOA. Since the current government came into office Ethiopia has made significant strides in free market reforms, expanding political freedoms, anti-corruption efforts and in a whole host of other areas. All this progress has been supported by AGOA eligibility.

While the TPLF ruled Ethiopia with an iron fist for twenty-seven years, and committed unimaginable crimes against humanity, under Prime Minister Abiy's administration Ethiopia is now considered more free than many of the other AGOA eligible countries by Freedom House's World Freedom Index (<https://freedomhouse.org/countries/freedom-world/scores>). To reward the TPLF and punish Ethiopia at this time would threaten all this progress. Potentially damaging the forces of reform and freedom within the country exactly when they are needed most. It could also put at risk one of the US's most enduring African partnerships. Ethiopia is a strong deterrent to extremist elements emanating from North Africa and the Middle East and a strategic partner to the US against terrorism. It is one of the continent's largest economies, with trade flows between the US and Ethiopia worth over one and a half billion dollars.

The TPLF is trying to politicize AGOA in service of their own interests, not those of Ethiopia, its people or the United States. We hope you agree that to reward such actions by delisting Ethiopia flies in the face of sound policy and natural justice.

We look forward to discussing this further with you.