

Ethiopia

Federal Democratic Republic of Ethiopia

Located in the heart of the Horn of Africa, Ethiopia is one of Africa's largest countries. It shares borders with several countries including Somalia, Sudan, South Sudan and Eritrea. Ethiopia is a stable element in this turbulent region.

Much of Ethiopia consists of relatively fertile highlands and has a temperate climate. By contrast, the western lowlands are hot and arid. Ethiopia is 28 times the size of the Netherlands. It is also one of the poorest countries in the world, with a per capita GNP of USD330. The majority of Ethiopians (85%) are small farmers. With a population of 88 million – which grew by 3.2% in 2010 – Ethiopia is also one of the most densely populated countries in Africa. The population is extremely young: almost 50% are under 15. At 56 years, the average life expectancy is low (2010, CIA World Factbook). Ethiopia ranked 157th out of 169 in the 2010 Human Development Index.

Political situation

Ethiopia is the oldest independent state in Africa and has no colonial past, although it was occupied by Italy between 1936 and 1941. The last Emperor of Ethiopia, Haile Selassie, reigned until 1974, when he was deposed by the Marxist dictator Colonel Mengistu Haile Mariam. Since the overthrow of Mengistu's totalitarian Derg junta in 1991, the Ethiopian People's Revolutionary and Democratic Front (EPRDF) has run the country under the leadership of the Prime Minister, Meles Zenawi. The EPRDF and the government apparatus exercise firm control over all aspects of Ethiopian society. In the elections of May 2010 the EPRDF won an overwhelming majority with 546 of the 547 seats. The opposition was divided and could offer no effective counterbalance. The strictly monitored elections went off peacefully but press and other freedoms came under pressure. There was much International criticism of the lack of scope for political opposition.

The border conflict with Eritrea plays a significant part in Ethiopia's foreign policy. Although the two countries signed a peace agreement on border demarcation in Algiers in 2000, the current situation is 'no war, no peace'. The eastern part of Ethiopia, which borders on Somalia, has a large Somali minority. One of Ethiopia's aims is to stabilise the situation in Somalia. Ethiopia is

also alert to the threat of conflict in Sudan following the split between North and South in July 2011. There are fears that an influx of refugees could cause conflict to spill over from both Somalia and Sudan.

The Dutch embassy in the capital, Addis Ababa, serves both Ethiopia and Djibouti and functions as the Permanent Mission to the African Union. The focal points of cooperation with the AU are peace and security, shared values and institutional capacity building. The Netherlands has had an embassy in Addis Ababa since 1950. An estimated 450 Dutch nationals are currently resident in Ethiopia. The Ethiopian community in the Netherlands consists of over 11,300 people (Statistics Netherlands).

The Minister for European Affairs and International Cooperation visited Ethiopia in 2011.

The economy

Ethiopia has a state-controlled economy. For a number of years the growth rate has been above 7% per year (2010), but the country is also struggling with galloping inflation (17% in 2010, according to the Economist Intelligence Unit, EIU). The Ethiopian government's growth strategy is mainly focused on agricultural development. The fight against poverty and sustained efforts to become independent of food aid as soon as possible have been incorporated in the government's ambitious five-year National Growth and Transformation Plan. The aim is to increase agricultural production and make it more reliable. The Ethiopian government also wants to improve the business climate by ensuring a better energy supply, for example.

Economic relations between Ethiopia and the Netherlands are good. Since 2003, spurred on by Ethiopia's major agricultural potential, many Dutch entrepreneurs have set up businesses in the agriculture and horticulture sector, taking particular advantage of the favourable climate and tax incentives. Ethiopia's infrastructure is also good enough to enable it to compete with countries like Uganda and Kenya. Dutch businesses retain control over their own production, transport and sales. Now, Dutch companies active in other sectors are also investing in Ethiopia. They include car assembly and cosmetics.

For the most up-to-date information on economic and trade relations see the NL Agency website: <http://www.agentschapnl.nl/en>.

Development cooperation

As announced in the letter of 18 March 2011 to the House of Representatives presenting the spearheads of development cooperation policy, Ethiopia will remain on the list of countries with which the Netherlands has a bilateral development relationship. Ethiopia falls in the category of Profile 1 countries. These are low-income countries where a reasonable degree of stability exists and where the focus is on achieving the MDGs through extra input and close cooperation with the government and other donors. The embassy's present multiannual strategic plan runs to the end of 2011. A new multiannual plan is currently being prepared and will be aligned with the four policy spearheads listed in the letter. The Netherlands will also focus more sharply on economic growth and strengthening the private sector.

In 2011 the Netherlands will contribute to three sectors as follows:

1. €9.3 million for health care (including sexual and reproductive health and rights (SRHR) and HIV/AIDS);
2. €15.5 million for rural development (agriculture and food security);
3. €2.25 million for education.

The Netherlands is also contributing €4.5 million to activities that strengthen democratisation processes, human rights, gender equality and the business climate. The Netherlands supports all of these efforts with its private sector instruments and is also taking a leading role in public-private partnerships and corporate social responsibility. The Netherlands is also looking to develop regional stability and strengthen the role of the African Union.

Thanks to support from a broad group of donors, Ethiopia has made considerable progress – among the most rapid in Africa – towards achieving the MDGs in recent years. However, progress in civil and political rights remains a matter of concern.

In 2011 the Netherlands donated €4.5 million to Ethiopia through the United Nations Humanitarian Response Fund. During a working visit to Ethiopia in June this year the Minister

for European Affairs and International Cooperation announced that the Netherlands would contribute an extra €1 million to the HRF. This was decided in response to the deteriorating humanitarian situation in Ethiopia, following persistent drought in the country. The HRF provides a broad package of emergency aid, including food aid, for which extra funding has been released in 2011 because of the serious drought.

Direct Dutch bilateral aid totalled €31.5 million in 2011. However, total Dutch development funding (including amounts contributed through multilateral, nongovernmental and private sector channels) is much larger.

Treaties

For up-to-date information on bilateral treaties please see the [Ministry of Foreign Affairs Treaty Database](#) .