

**Opening Statement for the Joint Session of the House of Peoples' Representatives (HPR) and
the House of Federation (HoF)**

**President Dr. Mulatu Teshome, the President of
The Federal Democratic Republic of Ethiopia**

October 10, 2016

Addis Ababa

**Honorable members of the House of Peoples' Representatives and of the House of Federation,
Nations, Nationalities and Peoples of Ethiopia,
Excellencies,
Invited and distinguished guests;**

On behalf of the Government of the Federal Democratic Republic of Ethiopia and of myself, it is with profound pleasure that I congratulate both houses on such a special event as this day marking the opening of your second year of this fifth parliamentary session. First and foremost, however, I would like to take full advantage of this occasion to express my sincere condolences over the deaths and injuries that have occurred following the violence in some parts of the country. On behalf of the government and of myself, it is with deep sorrow that I offer my most profound sympathy to the families of the victims of the recent tragedy that anti-peace elements caused during the Irrecha thanksgiving ceremony.

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As we mark the opening of this year's parliamentary session of the House of Peoples' Representatives and House of Federation, the two integral pillars in our democratic and federal constitutional arrangement, and their state of affairs, it remains imperative that we deliberate on a wide range of issues. This past year, our country has achieved a lot of progress on various fronts; equally it has also witnessed a series of difficult incidents. Accordingly, we need to work hard to ensure that our deliberations focus on sustaining the positive developments and on addressing the challenges, responding fully to the demands of all the peoples of Ethiopia.

For over a decade now, our country has been benefiting from an accelerated and transformative developmental trajectory. It is widely acknowledged that this substantial national development has managed to impact positively on all walks of life. This has been evident in both urban and rural sections of the wider community. Even more, this positive trajectory has created a demanding society, a craving for more broad-based and inclusive development. In light of these

positive developments, as well as the weaknesses and the challenges that these have also revealed, it has become apparent that there is a critical need to make sure that the next stage of our development should cater more effectively for the rights of our people. It should strongly address inclusivity, foster and encourage peace and strengthen the buildup of our process of democratization. We need to undertake a thorough examination of the processes, problems and challenges, to launch a properly designed roadmap and step up our efforts to resolve these issues.

This past year, Ethiopia has faced the severe impact of the El-Nino-induced drought, the worst drought the country has experienced in 50 years. This has significantly threatened the lives of millions of our farming people, with the drought causing shortages in water and animal fodder. In practical terms, this caused severe damage to the country's livestock.

Right from the onset of the El-Nino-induced drought, the Government stepped up its efforts to mitigate the drought in the firm belief that this challenge should principally be dealt with by using the country's own resources. Equally, in the unlikely case that the challenge might prove too much for the country's capacity or the problem became insurmountable, the government did not shy away from publicizing the drought and providing full details to the international community. Accordingly, in addition to allocating a special budget, earmarked for dealing with the situation and mitigating it, the government purchased wheat from different parts of the country that had ample crop production. It also imported substantial food supplies. In all this, the government made sure that food supplies reached those in need as quickly as possible. In addition, the government managed to provide water and animal fodder to millions of cattle across the country. The result was that the country was able to avert what could have been a major humanitarian crisis. In the last resort, this was largely possible because of the government's principled commitment to make every effort to respond to the challenge largely using its own resources. At the same time, we also had the support of the international community, and here let me express my gratitude to our international partners. Their constant support to our drought-affected communities has always been heartening and inspiring.

Ethiopia has, of course, managed to deal with similar instances of drought over the last quarter of a century. What made our recent efforts to mitigate the effect of this latest El Nino phenomenon unique was the fact that the country has managed to deal with the challenge principally on its own resources. This is truly a testament that to the remarkable economic

growth and development we have had over the last 25 years, to the massive soil and water conservation works carried out, and concurrently, the country's resilience in the face of disaster. I believe that this is the result of the developmental efforts of all of our people. We can be very proud of this achievement. In addition, the fact that the *meher* harvest of that same drought-affected year was substantially better than previous years is proof that the country's rural development is moving in the right direction.

Now that we have seen more than adequate rainfall during this year's *kremt* season, the farming and pastoralist communities have been able to exert every effort to produce a larger harvest. Although the results have yet to be fully seen, and we have also had to make every effort to avert the possibility of damage from heavy rainfall, expectations are high that the 2015/16 harvest season will be successful.

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At a time when we were making every effort to minimize the effects of the El-Nino-induced drought, the country also experienced another turn of events, with a series of violent incidents occurring in some parts of the country. These have mainly involved members of our youth. Sadly, these protests and disturbances witnessed the deaths of youngsters and of members of the security forces as well as the destruction of property. They caused unrest, disrupting the day-to-day lives and activities of the public. Although the protesters had some legitimate questions, it is still necessary to make a full assessment of the loss of lives and destruction of property, as well as come up with appropriate solutions and responses in a way that maximizes public participation.

Equally, as a considerable number of those involved in these incidents were from our youth, it is most important to look at the socio-economic and political realities facing the younger generation and address their concerns accordingly.

As Ethiopia is the second most populous country in Africa and as the youth make up half of our 100 million strong population, it is necessary that they should be at the center of every aspect of ongoing national development efforts. In addition, as the major part of our society live in rural areas, addressing the demands of rural youth must remain a priority. Youth, who have been largely confined to the countryside for centuries, are now migrating to the cities in large numbers. They do not own land in rural areas; hence they have no reason to stay there. With the improving access to education in the country, and a dwindling interest in getting engaged in agricultural sectors, the youth have continued to abandon rural areas and move to the cities to look for jobs.

Notwithstanding this move to the cities, sufficient job opportunities have not yet materialized in urban areas. In the cities, where the young population has concentrated, many have been unable to find a sustainable income. They have been subject to massive vulnerability and extensive disillusionment, forced into dubious ways of life. As mentioned, they make up a significant segment of the total population, and if the government fails to address the problem, the country will continue to be faced with the political discontent that we have witnessed recently.

It is an open secret that the government responded to this highly pertinent issue of unemployment by opening up new opportunities and working hard to create jobs for the youth. After the 3rd round of national elections, major efforts were made to put in place a special package to provide massive benefits for youth in particular. Unfortunately, these efforts proved insufficient to address the ever-increasing demands of the younger generation. The situation was further complicated by failures of governance, including nepotism and mal-administration. These became apparent in every corner of the country. Consequently, the grievances of the younger generation sharpened.

As the problems we faced over the last year have undoubtedly been related to issues of economic injustice, addressing these concerns by openly and democratically engaging the youth should offer the right way forward.

At the same time, the unrest of the last year, predominantly driven by questions of economic inclusivity, affected almost all groups of the population. So, alongside continuing high-speed growth and development, we should make vigorous efforts to promote holistic development at

all levels. Attention should be paid to civil servants, who account for a considerable section of those affected, to minimize their susceptibility to the impact of increases in the cost of living. For a considerable time, the government has invested much effort in tackling the problems of economic inclusivity by allocating the larger portion of the national budget to pro-poor development. Equally, however, it is necessary to give proper attention to those sections of society that have not been able to benefit from fast-track pro-poor development packages.

Another issue that needs a new approach is the problem regarding the dislocation of farmers and pastoralists on the outskirts of the cities. With the country undergoing notable growth, it is no surprise that the urban areas should quickly expand. By the same token, the increasing demand for large-scale mechanized farms, massive hydropower dams and large irrigation schemes means increasing use of utilizing rural land. This trend will certainly continue. Synchronizing the needs of farmers and pastoralists along with such development trends is, therefore, another area that requires re-thinking. The government should support farmers and pastoralists to enhance the effectiveness of the use of their land. When land is needed to serve national development goals, the government should provide proper and necessary arrangements so the owners of the land are able to gain the utmost benefit. Despite the obvious measures that should have been taken, particularly regarding sufficient compensation and effective re-location plans, very few meaningful actions were taken on the ground.

As the country's increasing prosperity allowed a number of people to improve their lives, following the proper channels facilitated by development schemes and become wealthy, a considerable number of other individuals also amassed wealth through illegal means. These reckless individuals accumulated wealth viciously engaging in illicit activities, including smuggling, manipulating loopholes in customs regulations and laws, and dodging taxes. These and other issues including the serious mismanagement of land usage in many cities and in some lowland rural areas, needs proper consideration.

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Taking into account the challenges we have encountered at the outset of the implementation of our Second Growth and Transformation Plan, we must clearly understand that there are scores of political issues that we ought to solve without delay. Among these is the question of self-administration. It is crystal clear that our federal democratic system is built on the basis of the unalterable fact that Ethiopia is a land of many nations and nationalities. Ethiopia is a country of diversity. Multi-culturalism is embedded in its mosaic of peoples. The denial of this reality by previous regimes in the past made continuous civil wars a day-to-day reality. It was on the basis of that harsh truth that the new federal structure acknowledged the diversity of the country, and laid the firm foundation for the peace we have enjoyed over the past 25 years.

Despite the effective implementation of this federal system for the last quarter of a century, some segments of the population believed more should have been done. This has resulted in discontent in some areas. This, however, would not have been transformed into conflict had the issues been properly entertained on the basis of the federal structure that is clearly laid out in the constitution. Despite the deliberate misrepresentation of the federal system as a root cause of conflict by some individuals and groups, our carefully constructed and people-centric federal system is a solution for the problem of conflict the country has suffered for centuries. We only have to look at the uninterrupted peace we have seen for the past 25 years to see the evidence for this.

Another major principle that deserves attention in building democracy and a democratic system is the principle of implementing it in careful increments in balance with the implementation of economic development. Our multi-national state has chosen a democratic system of government to be implemented through the democratic constitution that it has chosen and adopted. The democratic system of government we are building, however, is not an overnight accomplishment but a continuous effort that has to develop in tune along with our economic development.

The country is home to diverse societies and interests. Led by the principle of democratic constitutionalism, there is a natural requirement to build consensus and compromise among the needs of those societies. With a strong belief in the importance of expressing divergent interests democratically and peacefully to create a stable country, those divergent interests have been able to express themselves unhindered. However, limitations have surfaced in the method of democratically solving grievances as a result of a lack of good governance and the problems

associated with this in both government and in the larger society. From the government side, there have been problems arising from an inability to correct and resolve failures to handle grievances democratically.

Similarly, the way some sections of the community have participated in violent activity, without due regard to the constitutional framework through which problems could and should have been expressed, has demonstrated shortcomings on the part of the society. There have been tendencies from the side of the youth to join anti-peace elements, which are always working to create conflict with the government, using unconstitutional and undemocratic strategies to express grievances. What happened in connection with the recent demonstrations indicates the need for the government and the people to take additional measures in our efforts to build a democratic culture and a democratic system.

In this context, strengthening the House of Peoples' Representatives and the Federal State Assemblies is an important element in our efforts to build a democratic system. Elected chambers are democratic platforms in which divergent interests can be debated. We have held a total of five national, regional and local elections under a simple majority system. In those elections, a number of national and regional parties have participated in the choice of members of the House of Peoples' Representatives and for the regional assemblies. In the last two elections, the ruling party, and its allies, won 99.9% and 100% of the seats in the House of Peoples' Representatives. Although, all those seats were won through free and fair, periodic elections, the result left the substantial number of votes given to opposition parties unrepresented in the House of Peoples' Representatives. The electoral system in effect left out demands that might have been represented by parties other than the ruling party. Before the next election, we need to widen the political and democratic platforms and provide a legal framework, so the House of Peoples' Representatives can best represent a variety of voices and provide for diverse political interests.

Our effort to build a democratic system needs to give no less attention to directly involve our citizens in civil society as well as engage with intellectuals working in higher educational institutions and different national and international institutions, to assist in the process of building democracy. In this regard, the government will continue to build upon those platforms that have already been set up. It will also work to expand the options available. There is no

doubt that debating platforms and assemblies, where ideas important for building a democratic culture can be aired, are a critical element of building democracy and democratic system.

Another issue imperative for building democracy is creating an ethical and civic-minded generation. The active engagement and civic participation of citizens who stand up for their rights and carry out their responsibilities, is indispensable for sustainable development in any political community. Active, civic and informed participation is also important for the realization of good governance. Ethiopia is no exception to this generalization. Even though expanding education is not optional for the creation of active and informed citizens, special attention will be given to building up civic and ethical values for all citizens.

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The Growth and Transformation Plan II, an important tool to sustain the fast and equitable economic development Ethiopia has achieved, will continue to be at the center of government attention, without disregarding the need for urgent solutions to the current situation. This Second Plan, which draws substantially on the experiences of the First Plan, has been under implementation for the last year. People are, of course, very aware that although the government has been making every commitment to implement the Plan targets, performance has been affected by the current situation of the country. The El Nino and La Niña phenomena that Ethiopia has faced over the last two years and the current political unrest have negatively affected the first year's performance of the Second Growth and Transformation Plan. Nevertheless, our economic growth is still one of the fastest in the world. This is due to our good performance in implementing major projects, increasing agricultural production and productivity resulting from good rainfall, as well as our encouraging performance in building industrial parks. However, given our still huge untapped potential and the excellent foundation we have established, we should work assiduously to improve our performance.

We need to work out ways, not just to overcome the problems we are currently facing, but also to produce methods to out-perform our targets, to compensate for the shortfalls created by the

current situation. We should work to improve the performance of the agriculture sectors with special focus on the traditional cereal crops that our agricultural policies and programs have identified for particular expansion. Environmental protection and irrigation are areas in the agricultural sector that allow agriculture to benefit from the momentum of good performance. Natural resource development and environmental protection to help increase production and productivity of cereal crops are important for the livelihood of both rural and urban communities. We should also give due attention to encouraging the culture of industriousness and a sense of 'belongingness' among farmers and pastoralists as well as for the agricultural development agents who are at the forefront of developing this responsibility.

The government will work to provide an enabling environment for farmers and pastoralists to engage in activities that are more productive and produce yields that give them greater benefit. Among agricultural products that benefit farmers and pastoralists are coffee, oilseeds and pulse, fruits and vegetables, forest and animal products. We should be developing all of these to realize our untapped potential. The government will, on the one hand, work to develop and modernize, providing technological support, for the production of cereals and, on the other, work out ways to add additional sectors and products to the list of the commodities already in production. So, in addition to benefiting farmers and pastoralists through agricultural development and by the creation of an enabling environment for the better marketing of agricultural products, the government will also increase legal protection of land ownership. Urban land management, part of the inevitable process of urbanization, will be carried out in accordance with protection of the fundamental rights of land usage and without any compromise to the basic rights of farmers and pastoralists. In this regard, the government will ensure that any shortcoming associated with existing laws will be rectified, problems and pitfalls associated with implementation of these laws will be addressed, and new laws will be formulated and adopted where necessary. Above all, any decisions, including compensation issues for the use of land, will be done in strict consultation with the farmers and pastoralists who have a stake in the outcome.

While maintaining the work of advancing the agriculture sector, the Growth and Transformation Plan II also aims to prepare the country to move forward to industrial sector-led development. A wide range of projects has been formulated and is going through to implementation. Among these activities is the development of industrial parks. Large-scale

industrial parks are being built in major industrial-park development areas. The construction of various agro-processing industrial parks, aiming to produce value-added agricultural products, is well under way. Effective leadership and administration of these parks, especially in terms of providing suitable opportunities to encourage and up-grade local investors, will add value to their production, and also allow us to be competitive and well-positioned in today's age of globalization. Given this importance of this basis for industrial and urban development, we will exert more effort to ensure that the development of industrial parks continues in a committed manner. While local investors will take part fully in this sector, we will also create an environment for foreign investors who can participate, to play their part in the implementation of our development policies and strategies. The industrial parks are also indispensable for realizing the necessary and much sought-after technology transfers that the country needs.

Questions raised by the youth during the year have demonstrated the critical, the dire need for expanding rural industrial development. Building and expanding large-scale industrial parks are central to the industrial development of the country. They will bring growth by using our vast rural resources and utilizing the large potential young rural labor force. Equally, the establishment of extensive numbers of small and middle level rural industries is indispensable. As all experiences of fast developing countries show, small and middle level rural industries guarantee high-value addition to the construction and agro-processing sectors. The small and middle level rural industries, in particular, offer the potential to provide for the employment of rural youth. This will allow, within a short period, the growth and the public benefits we aim for. We will, therefore, place special focus on small and middle-level rural industrial development. Regional governments will be expected to mobilize major coordinated efforts in small towns and rural centers. The Federal government, likewise, will be expected to extend comprehensive support to the expansion of those small and middle-level rural industries.

The Growth and Transformation Plan also places major emphasis on infrastructural development. This is being carried out at two levels. Environmentally meaningful and diverse small-level infrastructures are planned and being implemented. In this area, Ethiopia's performance is rated very highly compared to others in a similar development category. The second level covers the mega projects currently being developed. These require huge financial expenditure and long completion time. The government will continue its commitment to these developments, which include the Grand Ethiopian Renaissance Dam and additional railway

projects. As we have limited financial capacity, we will work to encourage local investors, especially youthful investors, to participate in the expansion of the industrial and modern agricultural development sectors in future. We will focus on balancing financial mobilization for infrastructural development and sectors with more direct returns. More than ever, we will also emphasize the importance of resolving issues of sluggish implementation of government projects and work to avoid resource wastage. Ensuring quality delivery of projects, whether by local or by foreign contractors, will be a priority, as will be the creation of transparency and accountability. We will take legal measures over maladministration in the management of project contracts.

Taking all these practical realities into consideration, it is appropriate to look at the activities that will be given special focus this fiscal year, particularly those related to the youth of the country. The youth are not only the caretakers of the future development of the country; they are currently raising social and economic concerns and political and administrative questions. Addressing these will be given priority this year. Responding to the economic questions they have raised also addresses other areas of concern. We will be making efforts to ensure employment and wealth creation opportunities for the youth and mechanisms to expand these gradually. This will be a major priority, starting this year.

The government will establish a “Mobile Youth Fund” this year and will be working with this to make sure the youth can be beneficiaries of the country’s economic development. 10 billion Ethiopia birr has already been allocated to establish the Fund and start its work. The success of this work will depend upon widening financial services, formulating new ideas and making youth participation in planning and implementation mandatory. The administration of the fund will be based on a legal framework that ensures youth participation. Since the areas of involvement will be diverse, we will hold discussions and reach agreements with those involved. The Government will hold talks with the relevant authorities at every level and the youth to assess projects that aim to ensure benefits for the youth, provide development support, carry out assessments and take corrective measures as necessary.

Concerning raising living standards for civil servants, the government has already been improving salary scales for teachers and judges. Recently, there have been salary improvements intending to link the public sector and the development of the country, taking into account the inflation rate over recent years. This year, we are going to launch a pilot study to reform career

grades and allow the principle of 'equal pay for equal work' across the civil service. This should be complete by the middle of the year

Another special focus for the government this year will be democratization. Although others use our system, we need to ensure that it is developed in ways best suited to the situation and needs of all the people and all levels of society. A model will be set up to reform the country's electoral law to place proportional representation and a majority system on an equal and balanced footing, after detailed negotiations between political parties, to reflect the spirit of compromise, guided by the principles of transparency and national interest. This will allow the voices of all walks of life to be heard in the House of Peoples' Representatives and in the House of Federation.

To fast track and accelerate democratization substantively, the government will create discussion fora to allow all stakeholders to participate fully in issues of national interest. The promotion of an inclusive and results-oriented system to the democratization process means deepening and concretizing transparency and accountability at all levels of government institutions. The government, in close association and collaboration with other stakeholders assessing its performance in democratization, will take measures to advance the interests and aspirations of the people.

Concerning the questions of ethnicity and self-administration, constitutional solutions will be provided to those questions in line with the country's constitutional and democratic system during the current year. To embrace a brighter and more results-oriented future, the House of Peoples' Representatives, in addition to assessing the performance of the executive branch, will announce new proclamations to achieve the goals stipulated in the second phase of the Growth and Transformation Plan. Among these, the House of Peoples' Representatives will endorse the special interest of the Regional State of Oromia in the Addis Ababa City Administration.

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Over the last quarter of a century, the Government has charted a sound political and economic transformative path that halted the country's drift towards an abyss of destruction and propelled it onto a highroad of development and progress. In terms of overall development, Ethiopia has recently been dubbed the fastest growing economy in the world over the last decade. The Government of Ethiopia fully understands that the people are keen to sustain the positive gains made so far as well as to maintain the momentum of development across all aspects of the nation's life.

While Ethiopia has achieved a quarter of a century of positive developments, it equally faces a number of problems and predicaments arising from both its remarkable growth and from the inefficient leadership displayed at various levels of government institutions and agencies. Leadership at various levels of the government structure has miserably failed to fully and timely address the demands made and the questions raised by the people. The misconduct of government officials in pursuing their own personal benefit has put pro-poor government programs in jeopardy and endangered the national responsibilities bestowed upon them. It has worsened already existing problems and predicaments relating to good governance and our people-centered developmental vision. These problems have slowed down economic growth and now pose a threat to the larger interests and aspirations of our people.

The people have witnessed the misconduct of officials in the respective regions, as well as the use of government positions for personal benefit. As a result of this, discontented and angered by this continuing sorry state of affairs, the people have stood up to voice their demands and concerns. They have outlined ways to address these issues properly and move the national developmental and democratization agenda forward for greater progress. The Government, taking full note of the Peoples' demands and the questions raised, has resolved to address the issue of official misconduct at every level of government, with the objective of bringing the Ethiopian Renaissance in from the cold and carrying the national transformation forward. In this regard, the Government is redoubling efforts to hold accountable those responsible for official misconduct, making the most of mechanisms to help the people make decisions in their best interests and provide an improved and efficient public service.

As part of the Government's initiative to reflect the Peoples' needs, aspirations and concerns, the House of Peoples' Representatives intends to restructure the leadership of the Federal Government in a new and comprehensive fashion. State governments will also carry forward

the reforms in regard to their leadership, paying attention to the concerns of the people and to address issues of bad governance. The Government will set up a new council to devise a mechanism to ensure the leadership of the Federal and State Governments deliver results-oriented and quality service. The new council will guarantee government effectiveness and efficiency in implementing the national developmental and democratization agenda while also addressing any problems of incompetence and inefficiency. The new council will also make certain that those employed in government are capable and worthy.

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Overall, Ethiopia entered the new millennium as a bastion of progress, stability and harmony in the region. The government has been deeply involved in expanding the fight against poverty and in opening a new chapter of the democratization process. Equally, the country joined a community of nations in the new century facing new and emerging challenges. It is in line with this, in particular, that we need to keep the momentum of growth steady; to push the struggle for more progress forward; to maintain the exemplary role of the country as a promoter of progress, stability and tranquility; to sustain the gains we have made so far; and to create the conditions to make pro-poor government programs a complete success.

We should stay focused on the importance of addressing any inefficiency of leadership at every level. We should be action-oriented in terms of meeting the challenges caused by the recent remarkable economic boom. Looking ahead, it is equally important to carry forward the struggle for improved prospects in every area, while staying true to the core principles of our constitutional system.

Ethiopia should reinforce its efforts to resist domestic and foreign terrorist and anti-peace elements. It is important that we should base this struggle on the core mission and principles of our constitution. I firmly believe that our country's economic and political position is based on a

solid foundation. So long as we use our constitution as the principle agent of change and transformation, we will surely be able to achieve our goals in the shortest possible time.

I thank you!