



March 14, 2014

An Open Letter to [African Steering Committee Members](#) for [Publish What You Pay \(PWYP\)](#)ⁱ
[Extractive Industries Transparency Initiative \(EITI\) Board Members](#) from PWYP

Dear Ali Idrissa, Jean-Claude Katende and Faith Nwadishi, and other members of the EITI Board:

We in the [Solidarity Movement for a New Ethiopia \(SMNE\)](#) are contacting you in regards to the upcoming **Extractive Industries Transparency Initiative (EITI)** board review concerning Ethiopia's reapplication for membership in the EITI. ***The outcome of your decision related to this case will either help or hinder Ethiopians both now and in the future so it is critically important that you hear a representative voice from the people.***

For your information, the SMNE, of which I am the executive director, is a non-political and non-violent social justice movement of diverse people that advocates for freedom, justice, good governance and upholding the civil, human and economic rights of the people of Ethiopia, without regard to ethnicity, religion, political affiliation or other differences. The SMNE believes a more open, transparent and competitive market economy, supported by viable institutions and reasonable protections, which provides equal opportunity, will result in greater prosperity to the people rather than keeping it in the hands of a few political elites as is the case today.

We also contend that the future well being of our global society rests in the hands of those among us who can put **"humanity before ethnicity,"** religion or any other distinctions that divide and dehumanize other human beings from ourselves; inspiring us to care about these "others"; not only because of the intrinsic God-given value of each life, but also because **"none of us is free until all are free."**

As you know, Ethiopia's application for membership in 2010 was rejected based on its systemic repression of Ethiopian civil society; in particular, its implementation of a draconian law, the **Charities and Societies Proclamation (CSO)**, which **essentially eliminated Ethiopian civil society from functioning independently of government control. As of 2014, the situation has only worsened.**

It is our understanding that each of you is a member of the **African Steering Committee** of **Publish What You Pay (PWYP)**ⁱⁱ, an organization that was founded following the 40-year civil war in Angola, when the call for transparency—[Publish What You Pay](#)—was made in a report from Global Witness alleging that elites from the country had worked in secretive complicity with multi-national oil companies in the mismanagement and embezzlement of oil revenues. **This is similar to what is going on today in Ethiopia.**

It is also our understanding that you were appointed by the PWYP to assume the role as [Civil Society Representatives on the EITI International Board 2013-2015](#). We are aware of your mandated obligation to represent the interests of civil society on that board. Recently, it has come to our attention that while operating in that capacity, you have received a strong [letter from the EITI chairperson, Clare Short, in support of Ethiopia's admission to the EITI](#).ⁱⁱⁱ (See a copy of that letter in the endnotes.)

That letter has been made public and we find it highly offensive, inaccurate and a blatant attempt to lobby other board members towards a pro-Ethiopian government position despite the fact that abundant evidence indicates that independent civil society cannot exist in Ethiopia.

Chairperson Short also attempts to discredit the entirety of the Ethiopian Diaspora, presuming to better know the state of civil society than do they. She also strongly opposes the inclusion of human rights violations in considering this case, discounting the seriousness of such by comparing widespread perpetration of crimes against humanity and other egregious human rights violations to removing protestors by force in her own country (the United Kingdom). **In doing so, she is dismissing the seriousness and pervasiveness of those human rights crimes, ignoring the vast amount of documentation, and minimizing the personal experiences of refugees outside of Ethiopia and the close connections they maintain with family and communities on the ground that attest to the connection between the Government of Ethiopia's (GOE) serial violation of human rights in Ethiopia and the exploitation of its natural resources.**

She also appears to invalidate the many contributions of international advocates, calling them "campaigners" and seeing them as less relevant because they convey "north telling the south" dictates. At the same time, she is prescribing to you, as African members of the African Steering Committee of the PWYP and members of the EITI Board, as well as to Ethiopians within and outside of the country, her own "north to south" position. **It also appears that she has directed a veiled threat that the failure of EITI to accept Ethiopia may have ramifications on the status of "Niger and the Congo B", two of the countries two of you personally represent.** This kind of approach by the chairperson appears to be intentionally intimidating and is very disturbing to those seeking a transparent and fair approach.

We just recently became aware of your own [PWYP response to her letter](#)^{iv}, (see a copy of such in the endnotes) which we highly commend and will transmit to others, including Ethiopian websites, many of which are blocked within Ethiopia—like our own. We also would kindly suggest you view two SMNE articles, ["Civil Society Cannot Exist in Ethiopia: SMNE Calls for Extractive Industries Transparency Initiative \(EITI\) Board to Reject Ethiopia's Re-application for Membership"](#) and [SMNE Calls for Strong Measures from the International Community, Donors and International Investors in Confronting Official Corruption in Ethiopia](#) for more information on the state of civil society in Ethiopia as well as Professor Alemayehu G. Mariam's well-written article, [Mining Corruption in Ethiopia: A Reply to Clare Short](#).

In the article by the SMNE, we attest to the lack of any independence within civil society; instead, Ethiopian civil society has from foreign sources from (a) **advancing human and democratic rights, (b) promoting equality of nations, nationalities, peoples, gender and religion, (c) promoting the rights of the disabled and children, (d) promoting conflict resolution or reconciliation and, (e) promoting the efficiency of justice and law enforcement services.**^v Violators who are found "guilty" can be sentenced to years in prison. Over 2,600 civic organizations have closed their doors. **In order to dupe outsiders, the TPLF/EPRDF government has created pseudo-organizations, controlled and run by regime insiders. Such organizations now make up civil society in Ethiopia, pretending to be a voice of the people, but most Ethiopians know better than outsiders like Chairperson Clare Short that only the government's voice can be heard.**

Contrary to Chairperson Short's view, human rights are relevant to the evaluation. Such abuses are tools of suppression and exclusion. **Land and resource grabs are accompanied by human rights atrocities, the forced eviction of people from their land, increased hunger, suffering and more refugees seeking asylum throughout the world, easily exploited by human traffickers. Contracts are vague and deals are made behind closed doors.** Groups like the Task Force for Financial Integrity and Economic Development^{vi} rank Ethiopia among the worst in the world in regards to the lack of transparency and illicit capital leakage.

As revealed in a preliminary 2011 report they indicate that **Ethiopia lost US\$11.7 billion in illegal capital flight from 2000-2009 and illicit financial outflows from Ethiopia nearly doubled in 2009 to US\$3.26 billion—double the amount in the two preceding years—with the vast majority of that increase coming from corruption, kickbacks and bribery.**^{vii}

All this is going on while the voice of civil society has been silenced. When they do speak out, laws like the Ethiopian anti-terrorism law,^{viii} enacted at the same time as the CSO, have resulted in charging journalists, editors, activists, religious leaders and some of the most courageous voices of civil society with prison terms; people like Mr. Eskinder Nega, Mr. Wubshet Taye, Ms. Reeyot Alemu, Mr. Andualm Arage and many others. Others are self-censoring, fearing punitive actions.

In conclusion, we believe the chairperson's highly biased viewpoint, her lack of respect for Ethiopians in the Diaspora and the letter's aggressive and demeaning tone have already contaminated the belief that a fair, honest and open evaluation of this case is possible under her leadership. Her [self-reported relationship](#) on her website as a trustee on the board of the NGO, [African Humanitarian Action \(AHA\)](#), which is based in Addis Ababa and includes on its board some of Ethiopia's most powerful persons, also may cause many Ethiopians to suspect that she is representing the government's position rather than genuinely reflecting the principles and values of the EITI.

This organization includes on their trustee board, ten Ethiopians^x, at least some who are known to be members and supporters of the current Ethiopian government. One of the most significant is the Co-Chair, Sheikh [Dr. Mohammed Hussein Al Amoudi](#), a Saudi/Ethiopian who is both the largest investor in Ethiopia and the wealthiest. He is someone who is involved in oil, gold, cement, agriculture and other endeavors in Ethiopia.^x **This is a conflict of interest for the chairperson of EITI that we believe will undermine the integrity of the entire process, certainly in perception but also very possibly in reality.**

Creating a civil society in the current environment is impossible; however, without it, the few elite in power, who already control every sector of society,^{xi} will continue to accrue massive personal wealth as they continue to exploit the vast resources of Ethiopia, present and future, similar to what happened in Angola. Without meaningful reforms, the people of Ethiopia will continue to be some of the poorest in the world.^{xii}

In light of these concerns, **we urge you to deny admission of Ethiopia to the EITI.** If the government wants to become a member, let them earn the right fairly; not by favoritism, pressure for leniency, deception or by having someone from the north lobby for acceptance on behalf of the Ethiopian government; all of which would make a mockery of the entire process. Real change will not be given to the people voluntarily without motivation.

Let the government of Ethiopia genuinely open up Ethiopian civil society to the people of the country. Let them restore basic freedoms, independence in Ethiopian institutions, and the respect for human rights. Let them release all political prisoners. Let them open up political space to the opposition and economic opportunity to all people, not only regime cronies. If they did these things, they would not need a friend in high places in the north to speak for them. The civic institutions of the people of Ethiopia could do it for themselves. Until then, unmerited membership in the EITI will be a free pass to a kleptocracy.

Thank you for your noble work and your strong stand for the principles and values of the EITI.

Sincerely yours,



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¹ <http://www.publishwhatyoupay.org/about/objectives> ; **Publish Why You Pay and How You Extract:** PWYP campaigns for transparency and accountability in the extractive process preceding payments, so that the decision to extract (whether to extract, but also with whom and under what conditions) is made in a transparent and accountable manner, to the benefit of all citizens rather than to the entrenched interests of the few. We also seek to monitor the terms established, to ensure companies are keeping their commitments. **Publish What You Pay:** We strive towards revenue transparency in the extractive sector: for companies to publish what they pay and governments to publish what they receive. **Publish What You Earn and How You Spend:** We campaign for natural resource revenues - from company to state to expenditure - to be transparent and tracked, so that citizens can hold their governments to account for how these are spent.

This new strategic framework, “the chain for change”, was adopted by members as PWYP celebrated its ten year anniversary. This widened scope reflected the reality of what was already happening among PWYP’s members. Naturally, no national coalition or member work on every single step of this chain. Rather, different members and coalitions work on various aspects of the chain according to their local contexts and opportunities. Some aspects of the value chain – such as that on budget monitoring – require partnerships with other coalitions. PWYP has a fourth strategic pillar, which covers our own transparency and accountability rather than our objectives for the extractive sector. As such it is covered in our [funding](#) and [governance](#) pages.

ii <http://www.publishwhatyoupay.org/about/history> “In December 1999 Global Witness published A Crude Awakening, an exposé of the apparent complicity of the oil and banking industries in the plundering of state assets during Angola’s 40-year civil war. It became clear that the refusal to release financial information by major multinational oil companies aided and abetted the mismanagement and embezzlement of oil revenues by the elite in the country. The report concluded with a public call on the oil companies operating in Angola to ‘publish what you pay’. It was clear however that the lack of transparency in the extractive industries was also a significant concern in other resource-rich but poor countries. Therefore in June 2002 Global Witness along with other founding members, CAFOD, Open Society Institute, Oxfam GB, Save the Children UK and Transparency International UK, launched the PWYP campaign, calling for all natural resource companies to disclose their payments to governments for every country of operation. The small founding coalition of NGOs was soon joined by others such as Catholic Relief Services, Human Rights Watch, Partnership Africa Canada, Pax Christi Netherlands and Secours Catholique/CARITAS France, along with an increasing number of groups from developing countries.”

iii <http://eiti.org/news/open-letter-ethiopia-chair-clare-short-african-pwyp>

Open Letter on Ethiopia: Chair Clare Short to African PWYP

Friday, 28 February 2014 - 8:20am

EITI Chair writes to International EITI Board members Ali Idrissa, Faith Nwadishi and Jean-Claude Katende

The Government of Ethiopia submitted an EITI Candidature application from Ethiopia in October 2013. The [application](#) is available on the EITI website. The agreed procedures for assessing Candidature applications are set out in the EITI Standard. The application is due to be discussed at the Board meeting in Oslo on 18-19 March. This week, about 50 members of the Publish What You Pay coalition from Francophone Africa met in Pointe Noire to discuss progress and challenges of civil society engagement in the EITI. Ali Idrissa and Jean Claude Katende - who are their civil society representatives on the EITI Board - were present to discuss the application Ethiopia has submitted to the EITI. This will feed into further discussions and a potential position statement from the PWYP Africa Steering Committee. In the letter below, EITI Chair Clare Short, makes an impassioned plea to the PWYP African Board Members to consider the implications of their decision.

If there are any queries related to this application, please contact Eddie Rich (erich@eiti.org).

Jonas Moberg, Head of the International Secretariat

Dear Ali, Faith and Jean-Claude,

I understand that Ali and Jean-Claude are in Pointe Noire this week discussing, amongst other things, your position on Ethiopia’s application to become an EITI candidate. I am writing to you to say that I think this decision is an important test of whether EITI is an international coalition with a Standard that serves all countries that seek reform in extractives, or an organisation that is driven by campaigners.

Let me be clear, for me, the issue of civil society space to enable the EITI to do its work is absolutely crucial but EITI is not a human rights standard. Our job is to ensure that there is enough space for civil society to work with and around the EITI and help drive reform in the extractive sector for the benefit of the people. Wider human rights issues are the responsibility of other organisations and we should never forget that social and economic rights are an equal part of human rights alongside civil and political rights. I greatly admire much of the work that many of our civil society partners have done in challenging the status quo and working for reform often in oppressive environments. I hope that you agree that, difficult though the journeys have often been, the presence of the EITI in countries with governance challenges has afforded a space and a platform that would not otherwise have been open to those campaigning for reform.

That is why I passionately believe that the entry bar to candidates should be clearly and simply whether there is enough space for civil society to work with EITI, and that compliance and validation should be a test whether civil society participation is free, fair and independent. We should recognise the EITI, as a journey open to most, but that

compliance with the Standard itself should be a meaningful achievement and, as we discussed in Washington, there should be more emphasis on continuous improvement. I am not of course suggesting that it be open to all countries and all situations, but as I look around the EITI implementing countries, I do not accept that the situation for civil society in Ethiopia is worse than a great many of them. Indeed I believe that this approach enabling entry and encouraging locally owned continuous reform is the intention of the new Standard. I of course support the idea of making it clear to the Ethiopians, and indeed all new members, that the Board will expect them to deliver on their commitment on civil society space and that this will be monitored.

I must add that I find the discussion on Ethiopia to have been unhelpfully influenced by strong voices from a special interest group with perfectly well-meaning intentions but who have too much of a "north telling the south what to do mindset". We have to guard against efforts to use the EITI to serve other agendas, no matter how worthy. There is no doubt in my mind that there is a strong group of activists who mean well but are quick to pick on some African countries which, whilst far from ideal, are no worse on human rights than many other countries. There is also a serious problem of double standards. For example, removing the Occupy protesters from outside St Paul's Cathedral by force in my own country hardly raised a murmur. The existence of Guantanamo and use of torture has not been mentioned in relation to the US application.

Rejecting Ethiopia's application will leave Ethiopian civil society with nowhere to go. It will make it hard for the EITI to keep countries like Congo B or Niger or accept future applications from countries where the space might be perceived as limited but where it gives civil society an important protection and platform. I also believe that we should listen to what strikes me as a clear and united voice of civil society in Ethiopia, rather than opposing voices from the Ethiopian diaspora.

I am writing to you to make it clear that I see these issues as key to the future of EITI and its' usefulness in helping reformers to drive reform in their countries. If it is seen as a tool of campaigners it will lose effectiveness and support.

I am copying this letter to the members of the Outreach and Candidature Committee.

Best Wishes,

Clare

^{iv} <http://www.publishwhatyoupay.org/resources/pwyp-members-respond-clare-shorts-open-letter-ethiopia-candidacy-eiti>

PWYP members respond to Clare Short's open letter on Ethiopia candidacy to EITI

Source: Ali Idrissa, Jean-Claude Katende, Faith Nwadishi

Date: 11 Mar 2014

Madam Chair of the EITI International Board

Dear Clare Short,

We received your letter in which you shared your views on Ethiopia's candidacy to the Extractive Industries Transparency Initiative. This letter gave rise to several concerns that we outline below.

1. Our role on the International Board.

We have been selected by our civil society colleagues to represent African civil society on the International Board. As representatives, we are duty-bound to consult with our colleagues and report back to them on all matters discussed at the Board level. Ethiopia's application is part of these civil society level discussions, and has been since 2009.

Ethiopia's application to join EITI was not on our agenda at the regional PWYP meeting in Pointe Noire, although the issue did come up when we held our session on the enabling environment.

We had decided to discuss the enabling environment for civil society so as to gather the thoughts of our colleagues' on this topic, and then share these with the International Board when the question – which is of great importance to us – was on the table. As African representatives, we constantly endeavour, despite the important communication challenges we are facing on our continent, to foster an autonomous debate among our constituency and to defend our colleagues' views at the Board level.

Two schools of thoughts emerged from our exchanges in Pointe Noire. The first was to oppose Ethiopia's candidacy into the EITI, for the same reasons that led the International Board to reject Ethiopia's application back in 2010. The other was in favour of admitting Ethiopia to EITI, provided that the country produces a workplan that takes into account all the concerns expressed on the ability of civil society to engage in independent, active and effective participation. Indeed, the EITI Standard states that: "The government must ensure that there is an enabling environment for company and civil society participation with regard to relevant laws, regulations, and administrative rules as well as actual practice in implementation of the EITI. The fundamental rights of civil society and company representatives substantively engaged in the EITI, including but not restricted to members of the multi-stakeholder group, must be respected." (§1.3 (b))

Even if – as you suggest - the EITI has a low threshold for candidacy, we believe it is evident that the workplan remains a crucial tool to evaluate progress and to assess Validation, including with regards to the enabling environment.

The question of Ethiopia's workplan therefore remains to be debated, given that it does not allow for an effective implementation of the EITI under the provisions of the new Standard, nor does it adequately address obstacles to local civil society's participation in the EITI process. The EITI indeed requires that "The government must ensure that there are no obstacles to civil society or company participation in the EITI process." (§1.3 (c))

2. Your neutrality.

You have openly taken a position in favour of admitting Ethiopia as an EITI candidate country, going against the principle of neutrality that should characterise your chairmanship. The trust from which you benefit as a chair is grounded in this essential principle.

Your neutrality is a guarantee that allows us to believe that our Chair will guide the debates impartially and will help the different constituencies, when positions diverge, to find a consensus that will advance our common agenda. On this point, article 12 of the Articles of Association specifies that "The EITI Chair shall seek to foster collaborative relationships between EITI stakeholders."

Your intervention in the debates that take place between and within constituencies, and adopting a stance in favour of one specific group or another, is a genuine hindrance to free debate and to the search for consensus among Board members. It creates a detrimental precedent that we hope will be avoided in future.

3. The publication of the letter on the EITI website.

On this issue, we would like to note that we do not understand to what end the letter was made public when it was only addressed to a few people.

We hope that you will take all necessary measures to allow for a harmonious debate at the next Board meeting. We would also appreciate if our letter, like yours, would be published on the EITI website. In addition to that, it will be made available to our coalition members on the PWYP-International website.

To conclude, we would like to re-emphasise our firm commitment towards reinforcing the EITI as a thriving initiative in Africa, based on strong national ownership and on the full implementation of the EITI Principles and Standard.

In the spirit of true collaboration.

Faith NWADISHI.

Ali IDRISSE.

Jean Claude KATENDE.

^v http://www.civicus.org/csw_files/CIVICUSAnalysisEthiopiaCharitiesProc160908.pdf

^{vi} <http://www.financialtaskforce.org/2011/12/05/illicit-financial-outflows-from-ethiopia-nearly-doubled-in-2009-to-us3-26-billion-reveals-new-global-financial-integrity-report/>

^{vii} <http://www.financialtaskforce.org/2011/12/05/illicit-financial-outflows-from-ethiopia-nearly-doubled-in-2009-to-us3-26-billion-reveals-new-global-financial-integrity-report/>

^{viii} <http://allafrica.com/stories/201112220365.html> Letter from Reporters Without Borders to UN Special Rapporteur on Abuse of Anti-terrorism Law

^{ix} The names listed as trustees on the website of Africa Humanitarian Action include the following Ethiopians: Dr. Sheikh M.H. Al Amoudi- Saudi Arabia/Ethiopia, Dr. Costantinos Berhe-Tesfu, Mrs. Guenet Guebre-Christos, Dr. Asrat Betru, Dr. Getachew Demeke, Chefeke Dessalegn, Yohanees Kifle, Getachew Kitaw, Mahary Maasho, Amb Teferra Shiawl, and Dawit Zawde

^x http://en.wikipedia.org/wiki/Mohammed_Hussein_Al_Amoudi ; “Al Amoudi has invested in Ethiopia since the mid-1980s. He now has substantial business interests there, largely operated through MIDROC Ethiopia which was created in 1994. In 2011 it made 1.3bn birr (US\$70m) of profits.^[11] He has major [gold mining](#) interests in Ethiopia^{[12][13]} and it is reported that MIDROC Gold Mine (a subsidiary of MIDROC Ethiopia) has paid the Ethiopian Government 100.1 million birr in royalties, the largest contribution of any mining company.^[14] Midroc Gold is Ethiopia’s sole gold exporter. Its [Lega Dembi mine](#) has a yearly average production of around 4,500 kg of gold and silver.^[15] He owns 70% of [National Oil Ethiopia](#), which competes with YBF, TAF and five other companies in the national petrol market^[16] and is establishing a major steel plant (Tossa) in [Amhara](#). This latter is Ethiopia’s first industrial steel production plant and is intended to meet a major increase in domestic demand, estimated to rise from 1.2m tonnes to 3.1m tonnes per annum between 2011 and 2014.^[17] In February 2011, the Sheikh acquired 69% of Ethiopia’s sole tyre manufacturer [Addis Tyre](#)^[18] and he has a substantial investment in cement production through [Durba](#) Midroc which was founded in 2008.^[19] His major cement plant near Chanco was backed in part by the World Bank’s International Finance Corporation.^{[20][21]} In July 2011, it was announced that the Ethiopian Electric Power Company [EEPco] would provide the Derba cement plant with 50MW of electricity.^[19] The Al Amoudi-owned Saudi Star Agricultural Development Plc plans to develop up to 500,000 hectares (1,200,000 acres) of Ethiopian land for sugar, edible oil, and grain production.^[22] In March 2011, Saudi Star announced a further investment of \$2.5 billion in Ethiopian rice projects.^[23] Some 10,000 hectares have been taken up in 60-year leases and the company plans to rent an additional 290,000 hectares.^[22] The company had reportedly purchased \$80 million in equipment from [Caterpillar Inc].^[24] In August 2011, President [Girma Wolde-Giorgis](#) of Ethiopia stated that “a substantial investment in agricultural development was key to improving the quality of life across Africa” and that Saudi Star’s major investment programme would benefit both Ethiopia and its important trading partner, Saudi Arabia.^[25] Al Amoudi also owns land used to produce coffee. Of the 2,295 hectares (5,670 acres) of land acquired by Ethio Agri-CEFT (which he owns) in the [Sheka Zone](#) of Ethiopia, it has only covered 1,010 hectares with coffee and shade trees, with the rest remaining as natural vegetation.^[26] In 2011, he donated 10 million birr (US\$500k) to the proposed Ethiopian National Coffee Museum in Ethiopia’s Kaffa Zone.^[27]”

^{xi} [The former] Prime Minister Meles Zenawi and his ethnic-based minority political party, the TPLF/EPRDF, have established a **one-party, apartheid-like state that has held a tight grip on power since 1991; including maintaining complete control of the all levels of government, the judicial system, the military and the election board, the media, banking as well as over every sector of Ethiopian civil society.** In the last national election of **May 2010, this regime claimed a 99.6% victory.** Prior to the 2010 national election, the regime closed all political space; harassing, threatening, killing or imprisoning opposition members. Prior to taking power in 1991, the U. S. State Department had classified the Meles-run TPLF (Tigrayan Peoples’ Liberation Front) as a terrorist organization.

^{xii} The **2011 Legatum Prosperity Index**^{xii} among 110 countries in the world places **Ethiopia at the very bottom for freedom and 108th overall.**