

# Outrage over EFFORT-led corruption

By **Abebe Gellaw** | July 27, 2009

In response to *Ethiopia and Zenawi's gangster capitalism*, an article I published a few weeks back that tried to highlight the biggest and most flagrant corruption scheme in Ethiopia, the Endowment Fund for the Rehabilitation of **Tigray** [EFFORT], I received numerous comments via email. Though the majority of the comments were in support of the case against the merchant **NGO**, run by the top guns of the **Tigray** People's Liberation Front, I also got a few threatening messages including accusations of "spreading envy" and trying to undermine the "victories and gains" of the people of **Tigray**.

"EFFORT is built by the blood of **Tigrayan** martyrs and that says enough why it will not be shared with anyone in every corner of Ethiopia. Your effort is just part of a coordinated **Amhara** and **Oromo** blackmail campaign against development in **Tigray**," says an email sent by a certain **Dagmawi Yoannes** reflecting a naïve perspective widely shared by gullible cadres who believe that all that glitters is undoubtedly gold. But that kind of futile argument is usually made by those who are in power and their employees reaping the fruit of corruption and enjoying life in the lap of luxury at the expense of a hunger-stricken nation.

Another one from the owner of **Aigaforum**, the online organ of the **TPLF**, who is said to be **Isayas A Abay**, reads: "Do not you [sic] undermine the power of the **EPRDF** unless you want to curse your

God for the remainder of your life... **EPRDF** with you or without you and likes will guard Ethiopia from all of her enemies...currently her number one enemy is poverty and EFFORT is one arm of the fighting forces **EPRDF** has! "If **alubalta** and **bere welde** [wild rumours] analysis will suit you and help you, please by all means continue but please mark also my word ...that we will tell you down the road ....did not we told you! [sic] when you are left with nothing but shame to have been wrong in all fronts. Till then God bless **EPRDF**."

It is interesting to note that the man who runs **Aigaforum**, one of the Organs of the **TPLF** making every effort to preach that **TPLF** is always right and those who criticize its misdeeds must be sent to the guillotines, was not even comfortable to use **TPLF** instead of **EPRDF**. Indeed, the so-called Ethiopian People's Revolutionary Democratic Front [EPRDF] has **Amhara**, **Oromo**, 'Southern people' branches created by none other than the **TPLF** leaders. But when it comes to sharing the loot, **TPLF** doesn't even invite its puppets for lunch let alone making them shareholders of the most profitable **NGO**, or "endowment fund".

My response to Mr **Isayas** was simple. "Thanks for the note. I am against the very idea of disseminating unsubstantiated rumours. I believe the article in question is based on researched facts, not **alubalta**. If you point



out the sentences that are **alubaltas**, I am ready to make informed corrections.” But neither a reply nor a correction has arrived simply because the truth has never been on the side of the **TPLF** since it started its destructive misadventure in 1975. Its bloody struggle to dislodge **Mengistu Hailemariam** has brought about neither liberation nor democracy but the worst form of dictatorial **kleptocracy**.

In the backdrop of vicious accusations and threats, I wondered what our **Tigrian** compatriots really think about the corruption and economic crimes being committed by **Meles** and his cronies who have been running gangster capitalism in the name of the people of **Tigray**. Leaving aside those like the fanatic cheerleaders like **Isayas** of **Aigaforum** who believe that the **TPLF** is beyond reproach even when it loots, kills, tortures, divides, commits all kinds of atrocities and crimes against humanity, I approached some rational and bright Ethiopians of **Tigrian** origin who live with their conscience. All of them not only represent different perspectives and generations, but also know Zenawi’s **TPLF** and its tricks very well.

#### The youth activist

**Samuel Gebru**, whose parents hail from **Wukro** and **Hawzen** of **Tigray** region, was born in the Sudan in November 1991, five months after **Meles Zenawi** dislodged **Mengistu** and controlled the throne of dictatorship at **Arat Kilo**. Samuel is founding president of the Ethiopian American Youth Initiative and aspires to be a future leader of Ethiopia, despite the fact that our country is still a place where people are discouraged from having aspirations and dreams. But it seems to me young people like Samuel with passion for good causes will definitely have a significant role to play in remaking the future Ethiopia as change is inevitable.

Back to my point, while searching for different perspectives on EFFORT, I came across an interesting piece entitled *What is good with EFFORT? which* Samuel posted on his blog in April 2009.

*"I bet you've noticed something fishy about the conglomerate EFFORT (Endowment Fund for the Rehabilitation of **Tigray**). Like, why does a political party own EFFORT? How come EFFORT owns a good deal of all the major businesses in **Tigray** and throughout Ethiopia? These have been questions Ethiopians have been asking for years but what's bemusing nowadays is the leadership shift within the group," Samuel wrote.*

*"EFFORT's former head, **Sibhat Nega**, a member of parliament and the **TPLF's** most senior ranking official, recently bowed down to have new leadership in the group. **Azeb Mesfin**, the Prime Minister's wife, who's also a member of parliament, has taken over the leadership at EFFORT...*

*"EFFORT, a "non-governmental organization," has amassed a good deal of wealth throughout its existence from the early 1990s. Political parties, of any kind, should not be controlling conglomerates no matter how good or bad the cause might be," says Samuel.*

I have found Samuel’s understanding of the issue of the contentious “endowment” that has caused wider controversy among Ethiopians much more advanced than the entire **TPLF** leadership who got “Masters of Business Administration” from Open University just before effort was launched as a business conglomerate.

In order to gain a better insight into his thinking, I called Samuel and he was happily co-operative to converse with me. As he had visited **Tigray** a year ago, I asked him what ordinary **Tigrians** think of EFFORT.

*"EFFORT was established for a good purpose in the sense that **Tigray** is underdeveloped, **underserved** and devastated by war...But the problem is with the way EFFORT has been implemented. First, there is no transparency in the organisation. Nobody in **Tigray** knows anything about*

EFFORT's dealings in terms of its finances, nobody knows how much revenue it generates and how much is taken out. That is ironic because it was established to help **Tigray** region. If it was really established to help and rehabilitate the people of **Tigray**, they have a right to know what is happening with the organisation, but they don't," he noted.

"Secondly, it is politically owned. That is a major problem in Ethiopia.... Nowadays if you look at who owns EFFORT or rather who runs the organisation you are talking about a guy who has been bashed by every single person you can think of including his own party members. You are talking about a guy who has been accused of different things such as dealing with prostitutes at night and different other things including corruption as essentially it has been a major problem within EFFORT. The guy, **Sebhat Nega**, who was in charge of EFFORT really has absolute power in **Tigray**. When you look at Ethiopia's government structure, of course he is a Member of Parliament, but when you really look at the practicality he is the chief adviser to the Prime Minister. That is where things become really problematic because as this guy is not really competent and not fit for the job... we are talking about an organisation which is politically managed.

"Appointments within EFFORT are made based on politics. If you are a member of the ruling party, you can get a job no matter what your qualifications are. I can be a high school drop out, an elementary school drop out but if I am connected to anybody who has a top leadership position within the ruling party, I will get into EFFORT with no questions asked. That is also a major problem with EFFORT. It is politically charged, politically owned and at the same time there is no transparency....It is not helping **Tigray** at all. You know, people, for instance, are getting fired from EFFORT because of their political opinions," according to Samuel.

"My problem with EFFORT and the way everything is run in Ethiopia is that it is not based on competence. The Prime Minister's wife, **Azeb Mesfin**, does a lot of good things. But I do not think that she and even **Sebhat Nega** are the right people to run EFFORT just because they are not professionals and they don't have expertise in the field of management...The reason why the Ethiopian Airlines is the best managed company in Ethiopia is because it is run by professional people with twenty to thirty years experience on their hand...**Azeb Mesfin** does not have that kind of experience in a company or anything. She is a member of parliament and I think that they should give the management to people who can manage EFFORT full-time.

"If EFFORT is the property of the people of **Tigray**, as I said, then the people of **Tigray** should have a say in who is running it. They should also know where the finances are going. EFFORT controls and the economy in **Tigray** and a lot of Ethiopia's economy too. Under this Nongovernmental Organisation we have very big businesses that are essentially cash cows

*for the ruling party." Samuel pointed out that EFFORT never opened its financial records for audit. He pointed out that EFFORT would have been closed down in countries like the US by the Inland Revenue Service [IRS]. Let alone owning the business conglomerate EFFORT, he mentioned that there is only bogus democracy in Tigray where the people don't even enjoy basic rights. Samuel said that Tigray was being run by incompetent and uneducated officials but well-connected cadres led by Sebehat Nega's brother-in-law, Tsegaye Berhe, the President of Tigray, who calls for interpreters like Dr. Solomon Enquay whenever foreigners drop in his office. He noted that even the prime minister's father, the late Zenawi Asres, was critical of the administration but nothing has been done.*

### **The Journalist**

**Another conversation I had was with my friend Abreha Belai, editor of Ethiomedia. Abraha has been one of the most vocal critics of Meles Zenawi whom he refers to as an Eritrean mercenary. He expressed outrage over TPLF's propaganda aimed at tying EFFORT to the people of Tigray. He noted that EFFORT was benefitting no one but Meles Zenawi and his inner circle. He contended that Meles is inclined more to Eritrean causes than serving the interests of Ethiopians.**

**By the way, contrary to what a few detractors try to tell us, the Seattle-based journalist's immense contribution in keeping Ethiopians informed and exposing the crimes and misdeeds of the Meles regime has undoubtedly impacted and shaped the movement for freedom and democracy.**

**Abraha also highlighted some interesting points in an email he sent me in response to a few questions I had raised.**

*"I read your very insightful article - "Zenawi and his gangster capitalism"? It is an eye-opener for anyone who has doubts how the resources of a poor country are plundered by very few individuals in power.*

*" It is definitely worrisome that a gang born and raised in one of the corners of the poorest country in the world has risen from rags to riches by employing notoriously deceptive schemes that would put the Italian Mafia to shame.*

*"It all started in and around the 1984 famine when war was raging in northern Ethiopia. TPLF leaders Sebehat Nega and Meles Zenawi had already deployed TPLF rebels as "Sudanese merchants" in Khartoum. The English and Arabic speaking rebels were trained to pose as wealthy Sudanese businessmen, always wearing a three-piece suit with gold chains and exotic watches. Their target? Western donors who want to buy food for the famine-stricken people of Tigray. TPLF was the Khmer Rouge of northern Ethiopia; the leaders had killed thousands of Tigrians and the remaining impoverished people had no power and means to say no when TPLF ordered the entire settlements as far south as Raya to migrate to the Sudan.*

*"The Addis-Mekelle highway was a war zone and blocked to western donors due to the war. The only alternative was to rush food via the Sudan to Tigray. But instead, TPLF bosses wanted to make millions of dollars by displaying the dislocated Tigrayan peasants. According to Asgedo Gebreselassie, author of Gahdi book, at least about 50,000 Tigrians died on the road to Sudan. Many collapsed to diseases and continued aerial bombardments. But such huge human tragedy had no appeal to heartless TPLF bosses.*

*"So, the exodus to Sudan of a huge Ethiopian population was a blessing in disguise for the Mafia leaders of TPLF who received enormous food aid. They hoarded whatever they*



received in warehouses in Khartoum where the TPLF rebels camouflaged as "Sudanese traders" sold the aid back to Western donors.

"Former TPLF rebel Gebremedhin Araya who now lives in the Australian city of Perth, was for instance, one of the "Sudanese merchants" who would win numerous auction bids. He job was to sell the aid back to Western donors. He would then hand over a huge check (as huge as \$1.2 million) to either Sebat Nega or Meles Zenawi. No one knew where the money was going.

"To cut a long story short, when TPLF seized power in 1991, they immediately laid the groundwork for a nationwide enrichment project that would be achieved by plundering the resources of the country. They called the golden goose the Endowment Fund for the Rehabilitation of Tigray (EFFORT).

"Here it is worth noting that EFFORT has nothing to do with the disenfranchised people of Tigray. They use the word "Tigray" as a cover to confuse the rest of Ethiopia. EFFORT has never been audited; it is a tightly and secretly held family business oligarchy. Hence little surprise when Meles Zenawi appointed his own wife - Azeb Mesfin - as CEO of the business empire (Note: she is deputy CEO but being Zenawi's wife it easy for her to tell EFFORT CEO Abadi Zemo - a very loyal servant - to run errands for her).

" If change is to come, the struggle of the Ethiopian people should be to cut off the mercenary group from the people of Tigray. I think the struggle should be aimed at uprooting TPLF leaders from the region they is their stronghold. If they are cut off from Tigray, they are most certainly cut off from the rest of Ethiopia. We should deny them to spread hate between the people of Tigray and the rest of the country. This also belongs to any Tigray-bashing lunatic group that has miserably failed to separate the wheat from the chaff.

"To leave Tigray for them would be to prolong their presence in power because they would use Tigray as the breeding center for Agazi forces, and use the huge revenue from EFFORT to refurbish the machinery of national repression," Abraha argued.

### **The Founder**

Aregawi Berhe was one of the founders of the TPLF. Before he was purged and forced into exile by Meles and cronies in mid 1980s, Aregawi was one of the key leaders of the front. He is currently a scholar at the African Studies Centre in Leiden. He also emailed the following comment. A long time exiled dissident of the Meles regime, he recently published a book, **A political history of the Tigray People's Liberation Front** [1975-91], [2009, Tsehai Publishers]. He stressed the fact that EFFORT stifled entrepreneurship, which is a key to achieve real development and prosperity in Ethiopia, particularly Tigray.

"EFFORT has killed the individual entrepreneurship of Tigrians and dwarfed the Ethiopian economy. Individual Tigrians have been attempting to invest in Tigray but failed because they could not challenge the political and administrative hurdles posed by the centralist authoritarian regime in power," he said.

" They shamelessly declared time and again that EFFORT is there to do the job on behalf of Tigray and Tigrians, hence no need of individual effort. This Stalinist conception has become the cause of our misery and that is why you see Addis infested with street beggars from Tigray.

"Although nobody knows the operationowned EFFORT, we can observe from the outset that they are unproductive and crippling the Tigray economy for they are never audited and no public scrutiny is possible. Its failure in Tigray has forced them to extend it into the rest of Ethiopia thereby creating similar depressing situation elsewhere in Ethiopia.

*"This economic dictatorship is replicated in the political and social spheres as well all over Ethiopia. The dismal story of EFFORT is long," he noted expressing his willingness to discuss the matter at length in the future.*

#### **The lawyer**



**Professor Tecola Hagos, who is a lawyer, also knows the TPLF too well. A political prisoner during the Derg regime, he briefly served the current government as a legal adviser to the Prime Minister. In response to my enquiries, he started his take on EFFORT with the provision of the "Transitional Charter."**

*"I would like first to point out to you the legal basis for the disparity of treatment and prioritization of certain parts of Ethiopia in terms of material assistance and development projects. If we step back and examine the reason for the "special" treatment of Tigray, we see that the idea originated and was authorized by the Transitional Period Charter of Ethiopia of July 22, 1991 in its transitional program. In the Charter's Part Four under the sub-heading of "Transitional Program" we find the two main programs one dealing with "Political" (A) and the second focusing on "Relief and Rehabilitation" (B). Under the "Relief and Rehabilitation" program in Articles 14-16, with Article 17 specifically aimed to discourage ethnic conflicts, the general principles and authorization of the disparity of treatment of certain groups, areas, regions et cetera has been articulated....*

*"I do not believe that EFFORT was ever meant to be an organization to help Tigray to develop. By looking what it has done since its establishment in 1995, it seems to me EFFORT was established for the sole purpose to acquire the assets of the Ethiopian Government owned corporations (some of which were actually nationalized privately owned corporations). The World Bank had done us a disservice and it let us down with its structural adjustment and privatization programs. It did not monitor how the privatization was taking place, it did not consider the background of the new buyers, it did not question or study the newly incorporated entities, it did not check on the faulty banking practices of the Ethiopian Banks who were shelling out hundreds of millions of birr to such new corporations created by TPLF and letter put under EFFORT that had no collateral asset other than the asset of the corporations being bought that were government owned corporations themselves. The whole thing was grand theft of monumental size of the wealth of a nation. And the World Bank gave it stamp of approval with its rubbish idea of privatization to promote "Capitalism."*

*"What ever development that is being cited as proof for the development of Tigray is very misleading. One has to look at such entities by the effect they have on the local population, the infrastructure, and the social and cultural impacts. There is very little change for the majority of Tigrians just as it is the case with the great majority of Ethiopians elsewhere. Those who benefited greatly are those who are somehow connected with the regime. And most Tigrians are not. Even the Tekeze Dam is a white elephant that will not advance development of the area. It is doomed due to corrupt planning...*

*"Azeb Mesfin, the wife of Meles Zenawi, is an ignorant undereducated, corrupt and vindictive woman. Under normal circumstances, I doubt that she would have retained a clerk's job in some little corner store let alone run a single corporation. Azeb Mesfin, as an individual, is a fish out of water. She has no qualities that would allow here to assume such huge responsibilities. I have heard most unflattering things about her character also. Most say she is a very vindictive narrow minded ignorant woman. If we take a queue from her management of Mega's previous disastrous history, we can see how incompetent she was, for she literally run a viable corporation to the ground with here cronyism, looting, no accountability et cetera. She is now in control of EFFORT to promote the holdings of her husband and herself for her own family.*

*"There is no way that an uneducated corrupt woman, who barely finished elementary education, with no formal training in international trade, business management et cetera could run a multi billion dollar conglomerate that has international presence and near monopoly local hold of the Ethiopian economy with diversified product out put. She is going to be a front for Meles Zenawi who will be running EFFORT without any challenge from anybody," he concluded.*

Another Ethiopian of Tigrian origin is Gebremedhin Araya, a former treasurer of the TPLF. He lives in Perth, Australia. In a lengthy interview with Australia-based Adey Abeba Ethiopian Radio, he made an insightful analysis a couple of years ago on the fascistic ideology of Meles Zenawi. He argues that EFFORT is part of such a fascistic system aimed at monopolizing the economy by Meles and his cronies camouflaged under ethnic liberation. It is worth listening.

[Clip: <http://addisvoice.com/audio/Gebremedhin%20Araya%20on%20Fascism.mp3> ]

The TPLF regime may want us to believe that anyone who is raising valid questions on its corruption schemes and an economic system reminiscent of the colonial era is against the interests of the people. Based on the evidence, Meles Zenawi's corrupt fascistic regime has actually caused so much damage against the interests of Tigrrians as well as the rest of Ethiopia.

"This government is the enemy of all. All freedom loving Ethiopians must fight in tandem, as they did during the Italian occupation, to bring about real liberation for all by transcending over the dividing lines imposed upon us. It really pains me to see us divided along silly things and nonsense. Shame on us!" said an old man tearing up in a London public meeting a couple of years ago.