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Egypt and Ethiopia are taking steps to defuse tension over Ethiopia's diversion of the Nile River to construct a massive hydroelectric dam. The ministers of foreign affairs from both countries held talks in Addis Ababa on June 17 and 18. Ethiopian Foreign Minister Tedros Adhanom told reporters that both nations have agreed to implement recommendations made by an international panel of experts and to hold further talks. "Both ministers, in a spirit of brotherly relations and mutual understanding, agreed to embark on consultations at the technical and political levels," Adhanom said, "with the participation of the Republic of Sudan, to implement in a speedy manner the International Panel of Experts' recommendations". The diplomatic language is a far cry from the heated exchanges over the \$55bio dam, which Egypt fears will threaten its vital water supply (*VOA, June 18*).

Egypt and Sudan agreed to conduct further studies on what impact a hydropower dam on the main tributary of the Nile River will have on downstream countries, Egyptian Foreign Minister Mohamed Kamel Amr said. "We are embarking on a period of mutual cooperation," Amr said. A joint panel report finalized last month, which hasn't been made public, "didn't clarify in detail the impacts" the dam will have, according to the Egyptian presidency (*Bloomberg, June 18*).

In his opening address to Diaspora delegations from around the world meeting in Addis Ababa to launch the new policy, foreign Minister Dr. Tedros Adhanom explained that the Federal Government had long been aware of the importance of the knowledge, experience, skills, and financial resources of Ethiopians in the Diaspora and regarded these a vital contribution to national growth. Equally, going beyond this to protect and preserve the rights and privileges of the Diaspora in the countries where they resided, the government had been working to explore their experiences and research mechanisms to institutionalize the relationship and facilitate Diaspora engagement in the country's democratization processes and development endeavors. Discussion forums had taken place in 25 cities around the world with over 15,000 participants. Subsequently, the House of People's Representatives endorsed the policy last December (*State media, June 17*).

Eritrean refugees crossing to neighboring Ethiopia are on the rise, while the number entering Sudan has dropped compared to the previous year, according to the UNHCR. Eritrean refugees flee to Ethiopia in larger numbers via 16 entry points where they get primary assistance and provided with temporary shelters before they are transferred to one of the many refugee camps in the country's two bordering regions, Tigray and Afar. Since January, the UNHCR and the government's refugee agency, the Administration for Refugee and Returnee Affairs (ARRA), have registered over 4,000 Eritrean refugees. Currently Ethiopia hosts a record high nearly 72,000 Eritrean refugees in four camps in the northern Tigray region and two others in the Afar region in north-eastern Ethiopia (*Sudan Tribune, June 22*).

Ethiopia has secured \$300m loan from the Export-Import (Exim) bank of India for the construction of a new railway line linking its Asaita town to the new Djibouti port being built at Tajourah. Ethiopia's Finance and Economic Affairs State Minister, Ahmed Shide, and Chairman and Managing Director of Exim Bank, T.C.A. Ranganathan, signed the agreement in New Delhi over the weekend, according to information from the Ministry of Foreign Affairs in Addis Ababa.

The line, which will initially be used for transporting goods but later opened for passenger traffic, is part of a larger regional project to improve railway connectivity in Ethiopia and other East African countries. The loan has been under discussion since the visit of Indian Prime Minister Manmohan Singh to Ethiopia in 2010 under the African Union Region Development Scheme, which was initiated by New Delhi (*Africa Review, June 17*).

Ethiopia's Ministry of Finance and Economic Development has proposed around 155 bio birr national budget for the fiscal year 2013/14 from July 8, 2013 to July 7, 2014. The proposal is a 12% increase from previous year's budget. The proposed budget increase is the lowest in the past five years, where the average annual rise has stood at 29%. The draft document the ministry submitted to parliament for debate last week shows that one third of the total proposed budget was allocated to public sector infrastructure development. While the ministry proposed 15bio birr for activities related to the Millennium Development Goals, a 33% budget cut, compared to the current fiscal year.

The National Cement Share Company (NCSC), located in Dire Dawa Administration, has started exporting cement to Djibouti and Somaliland. NCSC started exporting cement following production with full capacity after completing expansion at a cost of 2bio birr. According to Sisay Kebede, NCSC's Assistant General Manager, the factory has increased its production to 45,000 q per day from 500 q following the expansion work. NCSC also plans to export its product to other neighboring countries soon, Sisay indicated. The company is currently supplying cement for the construction of the Grand Ethiopian Renaissance Dam (*WIC, June 17*).

Thousands of refugees living in Ethiopian camps are experiencing shortage of food and water supply and poor housing as humanitarian groups failed to distribute enough aid to the Shanty refugee camps in Dolow. Some of the refugees called for well wishers and international organizations to come to their rescue as children and elderly people died of malnutrition in the camps. The thousand refugees who fled from Bai, Bakool and Gedo regions of South Somalia are situated in the camps and are predominantly mothers, children and grandparents, and they bear the wounds of a war they never intended to fight. International organizations focused on other refugee camps located in Kenya during the 2011 draught in the horn of Africa and failed to reach out to the thousands of refugees who fled to the Ethiopian border (*Shabelle Media Network, June 15*).