

This brochure is reflecting the development cooperation activities supported by EU and EU Member States present in Ethiopia.

#### Part 1 (EU-Ethiopia Cooperation)

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### **EU-ETHIOPIA COOPERATION**

**DEVELOPING ETHIOPIA TOGETHER** 

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#### **FOREWORD**



Ethiopia and the European Union have been development partners for over 37 years. Under the Lome Convention and the Cotonou Partnership Agreement signed between Africa, Caribbean and Pacific (ACP) countries and the European Union (EU), several projects/ programmes, which contributed to the betterment of the lives of significant

number of our people, have been implemented using the European Union development assistance.

Since the signing of Lome I in 1975, the cooperation between Ethiopia and the European Union has been widening in scope and coverage. The volume of aid has been also steadily increasing from Protocol to Protocol to make Ethiopia one of the top beneficiaries of EU's development assistance.

The day-to-day working relationship between Ethiopia and the EU has been registering persistent improvement to reach at its current level of one of the exemplary relationships in the ACP-EU framework. The good working relationship between the parties is

augmented by steady improvement of the involvement of the Civil Society Organization and the private sector in the programming, implementation and evaluation of development projects/ programme emanating from the cooperation.

The quality of aid and its joint management structure can be pin pointed as the two major positive characteristics of the EU development assistance. The latter, by enabling us to fully own EU's resources made available to Ethiopia, has contributed towards efficient and effective utilization of external resources.

In the recent Protocols, the lions's share of EU's assistance has been channeled to finance important sector programmes and crucial projects/programmes that undoubtedly contributed to the betterment of the lives of our people. In this regard, EU's assistance to the road sector, agriculture and food security and Protection of Basic Services (PBS) programmes deserves profound appreciation. Several projects in the areas of water supply, trade capacity support, stand alone road rehabilitation, agricultural development, natural resource conservation, gender equality, culture, justice support, civil society capacity development etc... have been also instrumental to augment the country's efforts of ensuring sustainable development.

Currently we are working closely with the European Union and other development partners to attain the Growth and Transformation Plan (GTP). In the first two years of GTP's implementation substantial progress has been registered against the set targets. Indeed the recently conducted annual progress review concluded the fact that GTP can be fully achieved within the set timeframe if all stakeholders intensify their current efforts.

Moreover, at present we are jointly working with the EU to finalize the preparation of the 11th European Union Development Fund (EDF) Country Strategy Programme (CSP), which will be implemented from 2014-2020. We are also working hand–in-hand to fully commit the 10th EDF (2008-2013) country indicative allocation which amounts to 689 million euros. When it comes to commitment of the 10th EDF resources, we are approaching 100% performance level. This performance level is unthinkable without the smooth and efficient working relationship between our services.

We would like to use this opportunity to thank the European Union for enabling us access, on the top of the substantial programmable aid, to resources availed under various initiatives, such as Food Facility, Water Facility, MDGs Initiative, Global Climate Change Alliance, SHARE, etc that are helping us implement important project/programmes that are addressing needs of significant number of the country's population. Our trade cooperation with European Union has been also giving us considerable support

in our effort of ensuring growth and transformation of our country.

We are strongly committed to further expand and deepen our cooperation with the European Union and its member states. This cooperation will be vital to further enhance the contribution of EU and its member states towards our development endeavor in the framework of GTP. We are confident that our cooperation will continue to be increasingly effective and exemplary in the effort of fighting poverty and ensuring development, peace and security at the global level.

H.E. Ato Sufian Ahmed, Minister of Finance & Economic Development and the National Authorizing Officer.



The European Union and its Member States are amongst the long standing development partners of Ethiopia. Development cooperation of EU institutions with Ethiopia started in 1975 up on the signing of the Lome Convention. Time has changed since; the 27 Member States of the EU have signed and ratified the Lisbon Treaty in

2009 and are engaged in a strong political & cooperation process beyond the borders of EU. It is what all EU Member States and the EU are committed to in Ethiopia, and it is what is reflected in this first EU brochure on development cooperation gathering not only what the EU is doing but also what EU Member States are delivering.

A further step has been reached on 27 January 2013 with the signature by 22 Ambassadors of the EU+ Joint Cooperation Strategy for Ethiopia, with the objective to do joint programming, to reduce transaction costs and therefore to do more for the development of Ethiopia. Norway has associated itself to the process and it is why the next brochure expected in 2014 will be named "EU+ blue book"; it will go even further in showing what EU, its Member States and Norway are delivering sector by sector to support the Ethiopian national development agenda, the Growth and Transformation Plan (GTP).

Such political will to build the EU dimension outside EU borders is also at the origin of the set up in 2012 of the EU business forum, which aims to bring together more than 300 EU enterprises who have invested and created job opportunities in Ethiopia. The EU business forum has continuously gained in momentum during the last year.

We can achieve more when we are united, for the benefit of our partners. EU and its member states are providing a yearly average of 800 million Euro in terms of development assistance, representing about 34% of the total ODA provided to the country. We are supporting strongly the aid effectiveness agenda, now renamed as "Effective Development Cooperation" since Busan, not only in term of clear alignment with the GTP but also in term of use of Government programmes and systems. We represent all together about 17% of the resources of the Protection of Basic Services and 31% of the Productive Safety Net Programme, two flagship programmes well known worldwide and delivering impressive results.

I would like to express my gratitude to the Government, to EU Member States as well as to EU Delegation staff to have made this brochure a reality. I invite you to enjoy reading this brochure which depicts the development cooperation of EU and its Member States with Ethiopia and discovering the magnitude of our combined support in a broad range of priority sectors of the GTP, supporting Ethiopia in its fight against poverty and in its ambition to become a middle income country.

#### H.E., Xavier Marchal, EU Ambassador



The cooperation between Ethiopia and the European Unison has been longstanding. Starting from 1975 our cooperation with EU has been persistently increasing in scope and quality. Currently, we have managed to put in place a very smooth and cooperative day-to-day working relationship which enabled us effectively utilize the substantial development assistance we are getting from EU to augment our effort of achieving the Growth and Transformation Plan (GTP).

We strongly commend the joint management of the resource made available to the country through EDF and other EU's aid initiatives.

I am confident that our cooperation will continue to expand and become the best example in the ACP-EU framework.

H.E. Ato Ahmed Shide, State Minister of Ministry of Finance and Economic Development and Deputy National Authorizing Officer

# PART I COOPERATION WITH EU INSTITUTIONS

#### **INTRODUCTION**

The European Union is one of the five major donor partners of Ethiopia. EU institution contributes for about €230 million a year, representing 10% of the total Official Development Aid received by Ethiopia. Together with the EU Member States support, the European Union makes available around 34% of the total aid assistance to Ethiopia.

Cooperation between the EU and Ethiopia is carried out by means of grants, through three main resources:

1. The European Development Fund (EDF), which is managed by the EU on behalf of the 27 EU Member States, under the framework of the Cotonou Agreement (a partnership agreement between the EU and 79 countries in Sub Saharan Africa, the Caribbean and the Pacific). For the period 2008-2013 (the so-called 10th EDF), Ethiopia is beneficiary of one of the biggest allocations amongst the 79 countries (€689 million). Moreover Ethiopia is benefiting from the EDF water and Energy Facilities.

- Thematic budget lines which focus on the areas of food security, environment, non-state actors and local authorities, human rights and other areas managed through calls for proposals.
- The ECHO financing, related to humanitarian assistance.

About 80% of the EU cooperation is channeled though the country system (either sector budget support or multidonor government led programs); the remaining 20% is implemented through NGOs project support. The aid of the EU is fully in line with the national development strategies of the GoE. The EU cooperation program covers broad areas such as: infrastructure, rural development, social services delivery, private sector development and trade, environment, water supply and sanitation, food security, rural energy, governance, demining and culture. Nevertheless, with emphasis on the principles of aid effectiveness, 97% of the EDF funds are concentrated in three areas:

- Transport infrastructures and regional integration(39%);
- Rural development and food security (20%); and
- Macroeconomic support and governance (38%).

	Member States	Million EUR	%		Member States	Million EUR	%		Member States	Million EUR	%
	Belgium	800.67	3.53		France	4,434.33	19.55		Austria	546.64	2.41
	Bulgaria										1.3
	Czech Republic	115.67	0.51	€	Cyprus	20.41	0.09	(0)	Portugal	260.84	1.15
	Denmark					15.88					0.37
	Germany	4,659.81	20.5		Lithuania	27.22	0.12		Slovenia	40.83	0.18
					Luxembourg				Slovakia		0.21
	Ireland	206.41	0.91		Hungary	124.75	0.55		Finland	333.43	1.47
				+				-	Sweden		2.74
<u> </u>	Spain	1,780.54	7.85		Netherlands	1,100.08	4.85		United Kingdom	3,361.47	14.82

Voluntary Contribution of EU Member States to the  $10^{th}$  EDF (Total of  $\in$  22.682 billion)

## INTERVIEW WITH THE DEPUTY NATIONAL AUTHORIZING OFFICER



### What is the National Authorizing Office?

As stated in the Cotonou Agreement, the government of each ACP state is expected to appoint a National Authorizing

Office to coordinate, programme and manage EDF funds. In Ethiopia, the Minister of Finance and Economic Development is the National Authorizing Officer; assisted by two Deputy National Authorizing Officers and the office staff. The overall objective of the NAO is to improve the effectiveness of EDF assistance in its contribution to poverty alleviation.

### What is the mission of the National Authorizing Office?

The NA Office is in charge of managing the budget allocated to Ethiopia under the European Development Fund (EDF). The NA Office coordinates, manages, plans, authorizes and facilitates the implementation of the EDF resources. The actual implementation of projects is largely accomplished by the ministries and government agencies. We ensure the overall control of the funds. Primarily, from 1975 to 2000 (under the Lome Convention, that prevailed before the Cotonou Agreement), Ethiopia received around €2 billion from the EU. Since the Cotonou Partnership Agreement, the aid allocated to Ethiopia is even bigger: up to 2013, €1.3 billion has already been allocated to Ethiopia to support its development endeavors. Secondly, EU's assistance is in line with Ethiopia's development strategy. That is to say, the resource is not 'donor-driven' but it is 'demand-driven'. Thirdly, the EDF resources are jointlymanaged. We control all of the funds; this makes EU's aid unique. The NAO is responsible to jointly manage with EU the ever increasing EU aid to the country ensuring full ownership of EU aid to Ethiopia.

### How much is the budget under the 10th EDF?

The EU is the biggest aid donor in terms of grants. Under EDF 10, between 2008 and 2013, EU allocated to Ethiopia €689 million. There are additional resources that have been allocated as part of global initiatives (climate change, food facility, water facility, etc.). It is important to note that about 75% of the EDF indicative allocation to Ethiopia has already been committed during the first three years of the six years period of the 10th EDF. Very soon, through the concerted effort of all stakeholders the commitmment will undoughtedlly reach 100% of performance level.

#### What are the funds used for?

All these resources are used to implement several projects in various sectors. Under the 10th EDF, the focal sectors are Transport and regional integration, Rural development and food security, and Macro-economic support and governance.

### What are the impacts of these activities in Ethiopia?

Taking into consideration the projects/programmes that have been implemented and that are currently underway through EDF resources in the sectors of Roads, Water

supply, Education, Health, Agriculture, Food security, etc., the contribution of EU's assistance to the eradication of poverty and thereby enhancement of the wellbeing of our people is abundantly clear.

### How do you think that the cooperation will progress in the future?

Good things have to grow and expand. We want to widen our cooperation with the EU and to get additional resources from Europe. But once we become self-sufficient, we would also like to help other countries in need. Our cooperation has thus far reached a very high level, and the interaction has always been very smooth. Hence, I am confident that our cooperation with EU will have a very bright future, inlight of EU's Agenda for Change and the resulting new direction including the joint programing excercise by EU+.

#### Ato Belachew Beyene, Deputy National Authorizing Officer

### FOOD SECURITY, ENVIRONMENT AND CLIMATE CHANGE

With an allocation of over €130 million from the 10th EDF (European Development Fund) for the food security & rural development focal sector during the period 2008 – 2013, the EU plays an active role in promoting food security, protecting the environment, dealing with climate change issues and promoting economic growth in Ethiopia. Moreover, a number of other facilities funded through the EC budget significantly increase the EU financial contribution to the sector. The EU actively participates in Government's flagship programmes like the PSNP (Productive Safety Net Programme), the HABP (Household Asset Building Programme) and the AGP (Agricultural Growth Programme). Through the EDF and other financial instruments like the Food Facility, thematic facilities and more recently the SHARE Programme, the EU support targets more than10 million Ethiopian people each year. ECHO, the humanitarian assistance arm of the EU, provides the relief type of support to areas and populations affected by droughts and floods, sporadic inter-clan clashes, and sometimes epidemic outbreaks, with a focus on under-nutrition and food insecurity. ECHO is also active in refugee camps hosting some 390,000 displaced people mainly from Somalia, Eritrea and Sudan/South Sudan.

#### Policy dialogue

The EU carries out its work through a continuous policy dialogue with the Government of Ethiopia also in the **Rural Economic Development and Food Security** (RED&FS) sector. In the joint RED&FS forum the EU plays its role also in catalysing and harmonizing the EU and EU-MS interventions. EU has ensured the co-chairing of the RED&FS as well as of sub-sector working groups and of the PSNP Donor Working Group platform during the last two years.

In the framework of the **EU-US reinforced cooperation** on food security, over the past three years, the EU Delegation

and USAID Ethiopia offices have closely cooperated to advance the coordination and harmonization of their food security related interventions in Ethiopia including joint review of the country programs and plans, exchange of experiences on issues of mutual interest.

#### Food Security

Actually, the EU has put **food security and resilience** in Ethiopia at the core of its involvement in the poverty eradication overall plan and in the achievement of the Millennium Development Goals (MDGs).

As a response to the 2008 crisis, about € 43 million have been allocated to Ethiopia under the Food Facility instrument. The Food Facility was supporting 50 countries to put in place supplementary measures that rapidly addressed the negative effects of the sudden increase of food prices that happened across the world in that year. In Ethiopia 13 projects have been implemented by NGOs aiming to diversify agricultural production, increase food production through enhanced input use and better agronomic practices in particular, improve livestock management and develop rural markets and enhance smallholder farmers access to them. Under these projects implemented between 2010 and 2011, a total of around 360,000 rural households (about 1.8 million people) have benefited. The projects have complemented other food security initiatives on going in the 65 intervention woredas. They have contributed particularly in facilitating the graduation of PSNP beneficiaries through promoting diversified production and income generation opportunities. In addition to the above, the Food Facility has allocated € 23.1 million to strengthen the operational capacity of the PSNP.

As all EU activities, the Food Facility was aligned with government strategies and has contributed to the achievement of the Growth and Transformation Plan.

Since its design phase in 2004, the EU has strongly involved in the conception and financial support of the **Productive Safety Net Programme – PSNP**. With  $\in$  1.7 billion for its second phase (2010-2014), the PSNP is a flagship program of the GoE in addressing chronic food insecurity in the

country. PSNP represents a major historical shift from the relief system, used for decades, to a regular and predictable transfer system assisting the rural chronically food insecure population. The programme is fully funded by external resources, coming from 10 Development Partners: EU, World Bank, USAID, Denmark, Ireland, the Netherlands, Sweden, Canada, United Kingdom and World Food Programme.

Since 2005, PSNP has supported more than 9 million beneficiaries. In 2011-12 the caseload was about 7.5 million clients. The objectives of the PSNP are: a) to fill the food gap of chronically food insecure households for six months in a year; b) to protect households' assets and to create common assets for the communities through public works projects. The programme provides resources to its clients in cash or in food either through labour contribution or for free: those who can work receive their transfers through their participation in public works; beneficiaries not able to work (elders, pregnant women, chronically sick people, etc., about 20% of the total) receive direct transfers. About 40,000 public works projects are carried out every year, consisting of environment rehabilitation activities and community assets building. For this reason the PSNP can be considered the biggest SLM(Sustainable Land Management) intervention in the country and in Africa.

The transfer system needs to be complemented by other interventions in order to increase households' incomes up to a level where they will become resilient and do not need any further assistance from the PSNP: this is referred to









as "graduation" from the PSNP, and the **Household Asset Building Programme – HABP** has been designed in 2009 to fulfill this relevant function.

One particular aspect of the PSNP is the degree of flexibility in the way it can provide transfers to the clients. Across the years the programme has increased the cash wage rate (the amount in ETB clients are entitled to) with the aim to ensure parity with the food entitlement; it also balances cash and food transfers across the season so as to provide the most appropriate type of transfer; and finally, through its contingency budget and the **Risk Financing Mechanism** – **RFM**, the programme is able to scale up in crisis conditions providing additional months of support and then to scale down, back to the "normal" situation. Another aspect is that the PSNP also significantly contributes to improving capacities within the government system through its capacity building component.

The PSNP is also a good example of the harmonization of Development Partners efforts: it privileges one platform, one monitoring system, one reporting mechanism and a joint approach vis-à-vis of the Government, in the programme management and its funding.

The dialogue with the Government about the future of PSNP is progressing in the wider context of the Disaster Risk Management and the Social Protection policies that the Government is developing, and PSNP is envisaged to be part of a broader national social protection system.

The amount committed by the EU to the PSNP since 2006 has now reached a total of € 241.3 million, 75% of which has been disbursed.

#### Environment and Climate Change

**Environment and biodiversity** are important assets for food security and economic growth in Ethiopia. Environmental services such as water and carbon not only benefit livelihoods such as forest dwellers, small farmers and pastoralists, but equally contribute to sustaining the economic growth and stability of the country as ascertained by the objectives of Ethiopia's Growth and Transformation Plan.

Time is of essence to proactively respond to current trends of increasing resource degradation and irreversible damage to Ethiopia's unique eco-systems. This requires a balanced approach between economic growth, sustained environmental services and rural livelihood enhancement. The protection of the natural assets is in fact an intrinsic part of the quest for long-term food security.

The EU, within its wider focus on food security in the Horn of Africa (HoA) region, among which natural resources preservation is a key determinant, is committed to support the sustainable management environment through both bilateral and regional funding in favour of sustainable and incentives based eco-systems management and climate change mitigation and adaptation.

At regional level, an IGAD Dry Land Forest and Biodiversity regional project is in preparation, with an allocated EU funding of  $\[mathebox{\ensuremath{$\in$}}\]$  14 million. This is to support cross-border eco-systems including the Boma - Gambella Landscape, harbouring the White eared kob, an antelope that is said to perform the second largest wildlife migration in the world.

As regards Ethiopia, in the past decades the EU has provided an important long-term support to the **Coffee Improvement Programme** and the coffee value chain, including a biodiversity inventory in the south and west Ethiopia which provided a widely recognised baseline for biodiversity conservation in Ethiopia, including the UNESCO Biosphere reserve initiative. Currently, as a response to a Government's request, the EU is planning to assist the country to develop its coffee sector development strategic document for the short and medium term.

More recently, the EU is supporting a number of initiatives for more than € 30 million, such as **Participatory Forest Management**, non-timber forest products, biodiversity conservation of Ethiopia's afro-mountain and dry land forest ecosystems and related environmental services, and conservation and sustainable utilisation of bamboo as an alternative for firewood and charcoal production. Dry land forests of western Ethiopia represent the buffer zone against the desertification process from the Sudano-Sahelian region towards the northern Ethiopian highlands.

The **Climate Change** initiative (GCCA Ethiopia) financed by the EU aims to contribute towards achieving Government's Climate Resilient Green Economy (CRGE) objectives through capacity building and sustainable land management. The total EU contribution is about € 13.7 million. In addition to capacity building, the main component is to mainstream climate change in the Sustainable Land Management (SLM) programme, to which other European donors such as Germany and Finland contribute. It aims at rehabilitating degraded watersheds within the Nile Basin and increase agricultural production and productivity through maximizing climate change adaptation and mitigation benefits of sustainable land management practices.



#### Livestock

The EU has engaged in improving and Integrating **Animal Health Services** in the **Livestock Value Chain** through public-private dialogue in Ethiopia. Actually, key issues, such as the provision of demand-driven animal health services and access to markets remain insufficiently addressed at the policy level, while explicit, functional, animal health policies do not cover all sanitary and food safety aspects. A total of €10 million have been budgeted for a 3 years project with the objective to add value to livestock commodity production chains by integrating strengthened animal health, advisory and regulatory services, supported by effective dialogue between the public and private sectors.

#### Agricultural Marketing

For long, Ethiopia lacked a workable, evidence-based market information systems for crop and livestock. Such a system, including data collection, analysis and delivery of proper information on prices and marketed amounts is a fundamental element to facilitate smallholders competitiveness, boost market-integration and thereby farm income. With an outlay of  $\in$  10 million to support development of agricultural markets, the EU is playing its part in improving access to market information, orientation of the smallholder producers and traders, upgrading the quality and standards of their products to internationally accepted levels, and their integration into domestic as

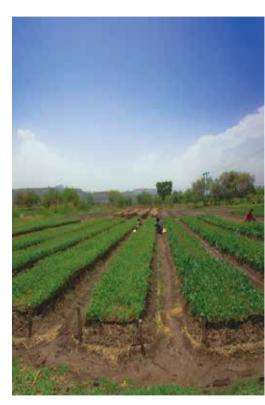
well as export markets. The project also contributes to the establishment of rural market infrastructures, information centres, product grading and consolidation centres, and to improving the performances of the overall monitoring system. The project is thus instrumental to increase farmers' incomes and more globally to improve food security.











#### Resilience

In response to the 2011 drought in the Horn of Africa, the EC has developed the new initiative "Supporting the Horn of Africa's Resilience – SHARE" to address resilience through a combined humanitarian-development approach. The strategic objective of the EC SHARE program is to contribute its part towards addressing the underlying causes of food insecurity through integrated actions and strengthening Linking Relief to Rehabilitation and Development – LRRD, so to build sustainable livelihood for the vulnerable rural population.

In Ethiopia, the Government and the development partners have prepared in September 2011 a joint Early Drought Recovery Road Map, aiming to strengthen the link between on going relief and long-term development. Furthermore, it is known that the drought has exacerbated long-standing conflicts over the use of natural resources and the influx of refugees from northern Kenya and Somalia creating additional sources of tension.

In 2011, € 13.75 million have been allocated under the Instrument for Stability. Through 6 NGO implemented projects, this intervention intends to provide an effective and timely response based on identified gaps and pressing needs, addressing which, would accelerate the recovery process in the target 45 drought affected woredas in Southern and Eastern part of Ethiopia, especially pastoral areas in Somali and Oromia Regional States. The initiative

has represented a timely and innovative approach putting LRRD and resilience at the core of the EU action. The interventions are expected to significantly contribute to early recovery of the target poor smallholder farmers, pastoralist and agro-pastoralist communities (total around 600,000 HHs), and are complementary to the ECHO funded **Disaster Risk Reduction – DRR** initiatives with a view to scaling-up of best practices in those areas.

Since 2012, the EC SHARE contains a package of interventions of € 270 million for the HoA region (supporting in particular Somalia, Ethiopia, Kenya, Djibouti and IGAD). They seek to strengthen the resilience capacities of poorest households and to improve their ability to cope and recover from stress and shocks. An improved and more efficient interaction between relief and development interventions (LRRD approach) is expected to increase the effectiveness of these interventions.

In line with the framework of the EC SHARE initiative, the Ethiopian component **Accelerating Resilience Capacity** in Southern and Eastern Ethiopia – ARCE, aims to enhance drought resilience and food security of vulnerable populations and offers an ideal opportunity to link relief, rehabilitation and development (LRRD) agendas and bring them to the forefront in Ethiopia. The total indicative budget allocation for Ethiopia is  $\in$  50 million. ARCE will contribute to increase the productive capacity and reduce the vulnerability of pastoralists, agro-pastoralists and pastoral communities. It will also improve the service delivery and the capacity of local government and of

traditional community based institutions thus contributing to ensure peaceful co-existence jeopardized by tensions and conflicts exacerbated by the drought. Within the total SHARE envelope for Ethiopia, € 11 million have been allocated to the PSNP and to the RFM (Risk Financing Mechanism).

#### ECHO – Humanitarian assistance

ECHO, the humanitarian branch of the EC in Ethiopia, has allocated in 2011 and 2012 about € 102 million to support the Government and its partners to respond to the severe emergencies that continue to affect the country. ECHO strategy is based on a three pillars approach designed to make funding more rapidly available and more efficient to support the most vulnerable people, but also to enhance the linkages between humanitarian and development financing instruments.

Through the first pillar – **Rapid response to acute emergencies** – ECHO aims at providing life-saving and asset protecting activities by increasing the surveillance and analysis of displacement, and ensuring rapid assessment and response capacity in reaction to localised conflict, rapid onset natural disasters and epidemic outbreaks. ECHO is strengthening coordination with other rapid response humanitarian donors. Through the second pillar – **Refugee programme** – ECHO is also supporting Somali, Sudanese/South Sudanese and Eritrean refugees in 14 out of the 17 refugee camps in Ethiopia via UNHCR and its

implementing partners through a multisector intervention mainly in the health, nutrition, water and sanitation and protection sectors. Ethiopia currently offers asylum to some 390,000 refugees from almost all its neighbouring countries. Through the third pillar - Drought response -Linking with EU resilience work – ECHO adopted a multisectoral and multi-annual approach tackling the recurrent problems of under-nutrition and food insecurity. ECHO is continuing direct nutrition actions in conjunction with activities to strengthen food security and livelihoods and to improve access and availability to quality water and health services. This package aims at building the resilience of vulnerable communities and households and increasing their ability to cope with recurrent drought episodes. This approach is being rolled out in 8 geographical clusters of woredas: 5 in pastoral areas (Borana zone, Liben Zone, Shebelle/Korahe zones, Siti zone, West Afar), and 3 in agro-pastoral areas (Wolayta zone, South Bale, Wag Himra zone in East Amhara). In each cluster of 2 to 7 woredas, a number of partners are working closely together to ensure a more effective, cost efficient and sustainable result. The support provided is adapted to the specific rain pattern and livelihood gaps identified. These areas have been identified based on lessons learned from previous interventions, and potential for maximum overlapping with on-going EU programmes (SHARE, 10th EDF, and Instrument for Stability, ECHO/DRR and PSNP programmes). This will ensure that short-term humanitarian response is linked with and complements development and resilience building interventions.



#### **INFRASTRUCTURE**

With an overall budget of €249 million under the EDF 10, the EU together with GoE is working on impropriant infrastructure projects which have great potential to contribute towards the attainment of the GTP. The Infrastructure Section symbolizes the changes that are happening in Ethiopia: more roads, more trade and more access to basic needs, such as water and electricity.

The EU has been financing the construction of roads in Ethiopia for years. The new 343 km Addis Ababa Jimma road was financed under the previous EDF (EDF 9) and finalized under EDF 10, for a total cost of €162 million. The construction of the road network contributes to the achievement of the Millennium Development Goals (MDGs) as it facilitates access to health centers and other facilities. It is also an opportunity to facilitate faster and safer internal trade in Ethiopia. The EU now finances the Road Sector Development Program , by providing €200 million to the budget of the GoE, the Ethiopian Road Authority being the main interlocutor. The improvement of transport quality is an essential parameter for the enhancement of living standards of the Ethiopian population. A new contribution for a value of €49 million is planned for 2013 - 14.

The EU is the only donor that works with the GoE through sector budget support on transport, meaning that the funds available are used according to the needs of the GoE in order to achieve specific results. This system has two advantages: the GoE spends the funds in the sectors that are considered priorities; it also includes a sector dialogue between the EU and the GoE

covering a broad range of issues. Thus, the EU has established a constructive policy dialogue on transport with the GoE and is a primary partner of the government in this sector.

Infrastructure financing also includes the rehabilitation of the Gafarsa dam (€23.5 million), the construction and rehabilitation of water supply and sanitation systems in 15 small towns (€16 million) and support to the Eastern Africa Power Pool. These projects are water and energy-related and, as such, are detailed below, under the 'Water and energy' section.



#### **BASIC SERVICES**

The EU is supporting Ethiopia to ensure better access and improved quality of basic social service delivery. Under the 10th EDF,  $\epsilon$ 168 million is allocated for this purpose.

### Protection of Basic Services Programme (PBS)

PBS is a multi-donor program led by the Government of Ethiopia in which the EU Delegation and several other donors (including Member States Austria, Germany, Ireland, Italy, the Netherlands, Spain and the United Kingdom) contribute to the Government's efforts to protect and promote expansion in access to and improvement of the quality of basic services in the Ethiopia. The EU Delegation to Ethiopia, the fourth largest donor, has provided significant support totalling of €245 million Euro which would grow to 318 million Euro including the planned PBS 3.

Since 2006, PBS has been co-financing recurrent expenditures (salaries, operation and maintenance) at sub-national levels in five basic service sectors: education, health, agriculture, water and sanitation and rural roads at the local level. The Government of Ethiopia – who has been increasingly co-financing the total program costs – is required under the program to spend non diminishing

amounts of its resources on pro-poor sectors and to allocate these reasources equitably across the country accourding to the government systems and rules. The program includes capacity building measures to strengthen financial transparency, greater accountability, and enhanced public financial management systems, with an emphasis on results.

The programme has contributed to impressive results towards achieving the MDGs at sector level since its inception. Examples include:

- The share of the population living below the poverty line declined by almost one third between 2005 and 2011, declining from 38.7% to 29.6%.
- Co-financing the hiring of more than 100,000 additional primary school teachers (grade1-8) PBS has enabled primary school (grade 1-8) net enrolment to rise from 68.5% in 2005 to 85% in 2011; primary completion rates (grade 8) increased from 34% to 49% in the same period.
- Contributing to the hiring of more than 38,000 additional health extension workers since 2006 as well as providing essential

immunisation materials, now two trained workers operate in every health post in every community in Ethiopia. As a result, the child immunisation rate increased from 70% in 2005 to 82% in 2011. Remarkable progress has been made in the **under five mortality rate** which declined from 123 (per 1,000 live births) in 2005 to 88 in 2010/11.

An increase in the share of the rural population with access to clean water from 35% in 2004/05 to nearly 66% in

2009/10.

The PBS is a unique and successful joint program that includes innovative approaches to strengthen national accountability, to foster citizen angagement in budget and planning processes and to improve the quality of data and sector monitoring evaluation systems.

PBS is a unique model for supporting social sector development in using decentralized country and with a high degree of donor harmonization and coordination.

	Amount in USD million (2006-201				
Member State	PBS I Actual	PBS II Actual	PBS III Actual		
Austria	1.5	11.6	2.6		
DFID - UK		436.5	786.8		
European Commission	209.9	114.1	98.0		
Germany					
Irish AID - Ireland	5.6	48.5			
Italy		10.7	13.1		
Netherlands	13.3	12.0			
Spain		40.4			
EU Total	650.3	741.2	900.3		
PBS donor total		2014.6	1751.1		
GOE contribution(1)	1936.2	1744.0	4653.7		
PBS total	3188.8	3758.6	6404.8		
Donors share of PBS	40%	54%	27%		
EU Share in donors	52%	37%	51%		
EU Shares in PBS cost	20%	20%	14%		

EU+MS contribution to PBS I, II and III Source; PBS Secretariat 2013 (1) Regional recurrent spending on the five basic services sectors only

















#### **GOVERNANCE AND CIVIL SOCIETY**

The EU supports governance sector and civil society in Ethiopia with the aim of contributing to the solid establishment of an open, democratic and participatory society. The EU's activities in this field build on the broad commitment of the wider donor community and include direct support to civil society organisations, strengthening of key democratic institutions and judiciary as well as enhancement of gender equality under the  $10^{th}$  EDF  $\epsilon$ 29 million is allocated for that purpose.

#### **Civil Society Support**

The Civil Society Fund (CSF) is a flagship programme of the EU and GOE in the field of governance and civil society support. Its goal is to promote democratization and good governance. The programme has two pillars, the first one focusing on supporting civil society organisations' (CSO) work in governance, and the second one on strengthening the capacities of CSOs. More than 400 CSOs in all the regions of Ethiopia benefitted from the first phase of the programme, between 2006 and 2011, for the implementation of a large variety of projects. Thanks to the interventions supported by CSF; hundreds of girls have been saved from Genital Mutilation and other Harmful Traditional Practices. victims of sexual and gender violence have received medical and psychological support and conflict sources have been mitigated. After the success of the first phase (10 million euro), a second phase with similar objectives is implemented since 2012 with a total budget of €12 million.

As additional support to CSOs, European Instrument for Democracy and Human Rights (EIDHR) targets particularly women as well as vulnerable groups such as orphans and vulnerable children, persons with disabilities

and the elderly. Projects funded under this instrument, for example, provide rehabilitation services, raise awareness, offer training and promote collaboration among different stakeholders leading to changed practises.

#### **Justice**

By supporting the justice sector, the EU is contributing to the efforts of the country to strengthen the Justice Organs Professionals Training Center (JOPTC) in order to ensure that a high standard of justice is delivered to all the citizens of Ethiopia. With the EU support, JOPTC will enhance its provision of legal and judicial pre and in-service trainings to justice professionals from all over the country. These people will also benefit from improved training facilities.

#### Gender

The EU is also contributing to women empowerment and gender equality in Ethiopia. This is being done in conjunction with the Ministry of Women, Children and Youth Affairs and the overall 'women's affairs structure'. The goal is twofold:

firstly, to enhance governmental capacity at different levels for the implementation of gender equality policies and secondly, to economically empower women, assisting them to increase their incomes and to improve their livelihoods.

Furthermore, the EU-UN Partnership on gender equality called "Increasing accountability in financing for gender equality" (2011-2015), is designed to support the development and implementation of the National action plan for gender equality within national planning and budgeting processes and to strengthened capacity and accountability of national government to implement gender equality commitments.

#### Democratic Institutions Programme (DIP)

With regard to good governance, the EU is providing support to the Democratic Institutions Programme (DIP), with a €3 million budget. The DIP is a pool fund managed by the United Nations' Development Programme (UNDP). The programme aims at providing a fully operational democratic, accountable and responsive constitutional federalism, ensuring citizens' empowerment and their participation. The purpose of the DIP is to support the development of key organizations that play a role in strengthening institutional frameworks of democratic governance in Ethiopia. There are seven of them: the House of People's Representatives, the House of Federation, the Ombudsman, the Human Rights Commission, the Auditor General, the Federal Ethics and Anti-Corruption Commission and the National Electoral Board.







#### WATER AND ENERGY

Water supply and sanitation are basic needs the EU has committed to address. Together with energy, water and sanitation are key sectors for the improvement of living standards of people in Ethiopia. For this regard, the EU, together with Member States, focuses on rural and urban water supply and sanitation. The main activities of the EU and GoE in the water & sanitation sectors are 1) rehabilitation of the Gaffersa Dam, 2) Water Supply for 15 towns in different regions across the Country which is financed by EU Delegation, EIB and the government of Ethiopia, 3) EU Water Facility Programme which constitutes various water and sanitation projects implemented across the country in collaboration with various NGOs and UNICEF. These projects, target 4.2 million people in 144 Woedas and 15 towns across the country. EU support amounts to 96,724,207 Euros including €16,500,000 Euros from EIB for 15 small towns. The projects attracted a contribution of 34,001,943 Euros from beneficiary communities, government, UNICEF, and CSOs/NGOs. Moreover, through ECHO's interventions, 4.9 million people living in refugee camps and local communities in targeted regions were provided with access to safe drinking water. This programme also contributes in the achievement of MDGs, as 3.4 million Ethiopians are expected to benefit from the programme by 2015.

#### Water and Sanitation

The EU funded the rehabilitation of Gafarsa Dam project, which provides water to the population in Addis Ababa. After the Gafarsa dam project was finalized, in 2009, the EU and GoE have launched another project, with a budget of €36 million including Euro 18 million contribution from EIB. This 'Water Supply and Sanitation Project' targets 15 towns in the Amhara, Oromyia, SNNP and Tigray regions, where more than half a million people would be benefitting. The first component of the project is to provide clean water supply and sanitation facilities for residents in the targeted towns. The activities include the building of water tanks, distribution lines and water treatment plants. The second

component is institutional capacity building in order to strengthen the capacities of water services and water tower boards. The projects implemented under the water facility programme in rural areas of the country use different water supply systems depending on the water source, topography of the area, available technology and social factors. They use spring development to supply potable water to communities with on spot collection or gravity fed system as well as hand dug wells and deep boreholes in combination with generators and pumps. Deep wells are always implemented in close partnership with the GoE.

Another option for water supply is rainwater harvesting from roofs and water catchments, this system is used in areas where other water sources are not available or difficult to develop owing to technical and/or financial constraints. The design and implementation of water facility programs always consider ownership and sustainability of supply schemes after the completion of the projects. Based on this, the community members are expected to contribute input in the form of cash, labour or materials in order to help to promote a sense of ownership of the water schemes. In addition to this, for the purpose of promoting sustainability through managerial and technical capacity all projects include a training and capacity building component for both beneficiary communities and local government partners. Hygiene and sanitation is also one of the major components in the development of water supply systems to create awareness and let the beneficiary community make behavioural changes in hygiene and sanitation. This is done through various community training and capacity building activities. The key component of these projects is the creation of a 'water and sanitation' committee in each village with an overall scheme management responsibility including operation and maintenance after the completion of the project. Women are given important roles in the committees.

#### Energy

Access to energy facilities is another basic need on which the Delegation of the EU and GoE is working hard. The EU is involved in developing rural renewable energy. Making a closer look at one of the rural renewable energy projects supported

by EU with€1 million, the project consists of installing solar panels in schools and in health centers. This simple project allows schools to have a laboratory and a library and to welcome adults for lessons in the evenings. In health centers, this system made vaccination possible, as there is no longer any issue regarding the preservation of vaccines. The project evolved with the supply of solar refrigerators, which have been a success in the three areas in which it has been implemented: Jimma, Lalibela and Hawassa. Another positive outcome of the project is that it allowed doctors and nurses to live and work in these areas where previously there was no power.

The EU is also financing a technical assistance to the Addis-Ababa-based Eastern Africa Power Pool (EAPP) - one of four power pools existing in Africa. The EAPP's mission is to facilitate and secure power supply to its 10 member countries: Burundi, DRC, Egypt, Ethiopia, Kenya, Libya, Rwanda, Sudan, Tanzania and Uganda - being Djibouti, Eritrea, Somalia and South Sudan considered potential member countries. This is to be achieved through the pooling of electrical energy resources in a coordinated and optimized manner so that the whole region can benefit affordable, sustainable and reliable energy services, as well as through the facilitation of power exchange among member utilities with the ultimate objective of establishing a regional electricity market. However, huge investments are needed in terms of power generation and international high voltage transmission lines.









#### PRIVATE SECTOR AND TRADE

The EU is actively supporting Ethiopia in the area of private sector development and trade. The EU believes that the strengthening of the private sector in Ethiopia is crucial to sustaining the country's impressive economic growth. Under the  $10^{th}$  EDF  $\in$ 51 million is allocated for that purpose

Indeed in the area of trade, the EU supports Ethiopia in its regional integration process and in the negotiations for the accession to the World Trade Organization (WTO) to which the country is actively involved. It also has been providing dedicated workshops to enhance market access to the EU - Ethiopia's prime export destination.

Two projects have recently been developed to further articulate EU's support to this sector, namely the Transformation Triggering Facility (TTF) and the Trade Enhancement and Facilitation Project, which provides further institutional and policy support to the Ministry of Trade in its WTO accession bid, while supporting Ethiopian Revenues and Customs Authority (ERCA) in trade facilitation, therewith increasing Ethiopia's competitiveness. The envisaged support to the area of trade enhancement and trade facilitation would complement in boosting the contribution of the private sector activities in the economy.

TTF is a pioneer program with a total budget of €35 million supporting economic transformation and increasing private

sector involvement in Ethiopia. Designed by the GoE and EU to implement the transformation components of the GTP.

Its inovative approach (working simultaneously at the level of policies, capacity building for key frontline institutions and enhancing the competitiveness of individual SMEs) is complementing other support in this sector. Through targeted interventions in selected sectors and institutions, the overall objective of the TTF is to contribute to transformative and poverty reducing growth, within particular industrial firms making investiments, creating jobs and improving productivity contributing to the overall country's goal to achieve middle-income status by 2020-23.

To maximize the transformation impact of the project and prevent dissipation of efforts, TTF will focus mainly on 4 priority sectors, or value chains i) Leather and leather products, including chemicals as part of the leather value chain, ii)Textiles and Clothing, iii) Pharmaceuticals, iv) Agri-processing (Food products and Beverages).

In addition to our projects work, the delegation is proud to have encouraged the esttablishment in May 2012 of the EU Business Forum to Ethiopia (EUBFE), a network that aims to group together around 300 EU companies active in the country. The EUBFE works under the patronage of the EU Delegation and has been set up to make it easier for EU companies to do business in Ethiopia by providing a platform through which EU companies can exchange information related to doing business in Ethiopia and facilitate business linkages between companies while engaging in a systematic dialogue with the government on systematic bottlenecks to the business environment.

The EU Business Forum clearly complements the work of EU Members States' Embassies on strengthening investment abd trade between their home countries and Ethiopia. But, by using the economies of scale of working together within the EU family it could do more than each individual member state/company could on its own. For instance, the EUBFE by providing a platform for various EU businesses could justify and benefit from the establishement of a professional permanent secretariat. Pooling forces and speaking with one voice has also helped to create the condition for a better dialogue with the govenment. More information on the EUBFE and its recent activities can be found on www.eubfe.eu

Business Fo.





#### **OTHER ACTIVITIES**

#### Migration

The EU is involved in the migration issue through two projects started in 2012, with a total budget of 2,850,000 euro, one called "Development of a tripartite framework for the support and protection of Ethiopian and Somali women domestic migrant workers to the Gulf Cooperation Council States, Lebanon and Sudan", implemented by the International Labour Organisation (ILO), and another one called "Strengthening Criminal justice responses to trafficking in persons and smuggling of migrants in Ethiopia and Djibouti" implemented by the United Nations Office on Drugs and Crime (UNODC). The projects aim to promote safer labour migration and to protect the rights of the migrant domestic workers.

#### **Demining**

Demining activities are financed and implemented by the Ethiopian Mine Action Office (EMAO). The EU has brought €15 million to finance mine-clearing work, i.e. the elimination of all mines from Afar, Tigray, and Somali Regions. This programme includes social aspects: awareness-raising about mines and social reintegration of mine victims

in their community. It aims at facilitating the return of the populations that have been displaced because of the mines. It also aims at reducing tensions in the border area and at improving the food security in areas where there used to be mines. Ethiopia is expected to be mine-free by 2015.



#### Culture

Ethiopia is the country that hosts the most numerous world heritage spots in sub-Saharan Africa. A few years ago, the EU had funded the infrastructure that protects several of the Lalibela churches from erosion. More recently, the EU has designed a new €10 million programme to use culture and the country's heritage as a vector for socio-economic development. The Delegation is working with regions and cities to develop the enormous potential of these places that could host cultural events for the Ethiopian population and attract more tourists.



### CENTRE FOR DEVELOPMENT OF ENTERPRISE

The Centre for the Development of Enterprise (CDE) is a joint institution of the ACP Group of States (African, Caribbean and Pacific) and the European Union. The Centre provides companies with studies and technical assessments in various sectors. Its main aim is to enhance the competitiveness of ACP enterprises. In Ethiopia several interventions are ongoing in 2011. These interventions have a total budget of €845,400. Notable ongoing interventions in Ethiopia include; support to the Ethiopian Hotel Professional Association, support to the Ethiopian Meat Producer Exports Organisation, support to the Centre for African Women Economic Empowerment.

#### THE EUROPEAN INVESTMENT BANK

The European Investment Bank (EIB) is the EU's long-term lending institution. It was established in 1958. The EIB supports the EU's priority objectives, most notably European integration and the development of economically weak regions. The EIB is active in 150 countries outside of the EU. In these

countries, the institution implements the financial pillar of the Union's external cooperation and development policies: private sector development, infrastructure development, security of energy supply, environmental sustainability.

Current and past projects of the EIB in Ethiopia	Amount disbursed	Rationale
Small Town and Water Sanitation	€16.5 million	Goal: to provide water supply and sanitation investments in 15 small towns of Ethiopia, improving the living standards of about 500,000 people. Started in December 2010.
Derba Midroc Cement Company		Establishment of the Derba Midroc Cement Company, Ethiopia's largest cement plant, which is expected to produce 8,000 tons a day.
Gilgel Gibe II	€50 million	Hydropower plant, which is expected to produce 428 MWatt)
DBE		Support to Ethiopian Small and Medium-sized Enterprises in several sectors: manufacturing, education, health and tourism. Project finalised at the end of 2010.
EEPCo	€25 million	EEPCo urban power distribution and load dispatch project.

With the continuous growth of the Ethiopian economy, the Bank and G0E are currently looking at how to further expand operations in Ethiopia.

# PART II COOPERATION WITH EU MEMBER STATES

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#### **BELGIUM**

Ethiopia has been an official bilateral partner of the Belgian cooperation until 2003. Then, Belgium refocused its cooperation on other countries, following the implementation of the Paris Declaration on Aid effectiveness. Despite this development, Belgium is nowadays still active and very efficient in the fields of higher education and agriculture on which it spends an average of more than €2 million a year.

Belgium implements activities in the fields of **higher education** (60% of its budget), agriculture and food security (30%), the remaining 10% being used to fund international and local NGOs. Belgium has decided to concentrate its funds on higher education, one of the most valuable development activities in terms of sustainability for the next generations.

The country cooperates with the universities of Mekele, Jimma, Bahir Dar, Addis Abeba, and recently Arba Minch. For 10 years, the programme has been focusing on university management and capacity building of the staff. In the past 10 years more than 1,000 Ethiopian students received scholarships to complete their Masters and PhDs in Belgium. The vast majority of these students have been hired for important positions in Ethiopia.

The second focus of Belgium in terms of cooperation consists in the improvement of **agriculture and food security**, through the Belgian Survival Fund, which co-finances the FAO programme in Ethiopia and supports two NGOs. More specifically, Belgium finances training of farmers aiming at increasing their ownership and enabling them to become self-sufficient and food secure.

In addition to this bilateral aid to Ethiopia, Belgium has recently disbursed €13 million for the multilateral programmes fighting the drought in the Horn of Africa.

In the future, Belgium wants to pursue its university cooperation programme and keep it at the same level of excellence.





#### **CZECH REPUBLIC**



NT COOPERATION The bilateral cooperation amounted to €5.2 million from 2000-2011. Since Ethiopia has recently become a priority country of the Czech Development Cooperation, the development activities gradually increase, having amounted to €1.9 million EUR in 2012. The new status of Ethiopia within the Czech Development Cooperation stems from the Development Cooperation Strategy 2010-2017, which promoted Ethiopia to the highest category of partner countries, being the only one in Africa. Both countries signed the Memorandum of Understanding on Development Cooperation in October 2011. All Czech projects are aligned with the MDGs and the GTP, and most of them are carried out in the SNNP Region.

With regards to water supply and sanitation sector, the Czech Republic focuses mainly on hydrogeology and water resources management. In close cooperation with the Geological Survey of Ethiopia (GSE) ground water resources in various regions of Ethiopia have been mapped within the last 10 years. Other projects focus on well rehabilitation and water sources management complemented with sanitation activities. In the disaster prevention and preparedness sector the problem of geological hazards is being addressed.

Czech **agriculture, forestry and fishing** sector projects tackle the challenge of the natural resources management including soil conservation as well as focus on introduction of alternative livelihoods and sources of energy among the local communities. Czech efforts also aim at the capacity

building of extension services and farmer training centers. In education sector, hundreds of teachers have benefited from a modern teaching methods training and a Manual of Modern Teaching Methods in Amharic and English was developed and certified by the Ministry of Education of Ethiopia. Another project provides vocational training in leather production and business skills for local micro and small entrepreneurs. In the health sector, the Czech Development Cooperation supplies equipment and training to strengthen the capacity of provincial hospitals. The Czech Republic also cooperates with local partners in supporting the production of shoes and prosthetic devices, providing medical aids to people with sight and hearing impairment and carrying out social protection programs.





#### **DENMARK**

#### MINISTRY OF FOREIGN AFFAIRS OF DENMARK

### DANIDA INTERNATIONAL DEVELOPMENT COOPERATION

Denmark regards its relationship with Ethiopia to be strategically important and recognizes Ethiopia's role in promoting stability, peace and security in the region. Ethiopia is a priority country for Danish development cooperation. Denmark currently supports a range of development initiatives in Ethiopia through diverse partners. Denmark is strengthening its bilateral relationship with Ethiopia with a focus on peace and stability, food security and green growth. The total development cooperation budget from 2009-2012, amounts to £22.15 million

With regards to **peace and security**, Denmark under its 'Whole of Government Stabilization Program for the Wider Horn of Africa' is contributing to the strengthening of the region's ability to combat money laundering and terrorism financing and through this program, Denmark supports Ethiopia's Anti-Money Laundering (AML) programme. The goal of this support is to mitigate illicit flows of money in the region, not least in response to mitigating financial support to terrorist groups in Somalia. Denmark also provided support to the establishment and functioning of Addis Ababa University Institute for Peace and Security Studies (IPSS), which focuses on supporting the enhancement of participation and capacity of Ethiopians and African experts, scholars and policy makers in the international analysis and response to issues of peace and security.

Under its **Horn of Africa Resilience Program**, Denmark has provided support to the Productive Safety Net Programme (PSNP) in Ethiopia, which is part of Ethiopia's own food security programme starting from 2011. The

Danish support brings humanitarian and development aid together and integrates a regional perspective including the support to IGAD's drought resilience program

Denmark has provided funding to several climate change initiatives and is currently looking into increasing its support to the green growth efforts of Ethiopia with a focus on sustainable management and use of natural resources, the promotion of innovative green solutions and increased employment.

Through the **capacity building program**, Denmark supports a number of partners. Denmark has contributed to the Civil Society Support Program (CSSP), a multidonor supported initiative that focuses on strengthening the capacity of civil society to engage in policy and programme development, monitoring and evaluation. Through capacity building support to individual civil societies Denmark supported the advancement of economic activities of poor women and girls in Addis Ababa and the enhancement of

rural citizen's awareness and participation in local and national level development through the support to media association and community radios. Through UNDP, Denmark is also supporting the establishment of the coffee platform in Ethiopia. Last but not least, Denmark is providing support to build the capacity of artisan and small scale miners

Under the **human right and governance**, Denmark has a number of partners. For example: Denmark provided support UNICEF's Strengthening Effective Child Justice System in all regions in Ethiopia. Also Denmark has supported the Democratic Institutions program (DIP) and is supporting efforts to reduce human trafficking and improvement of livelihood situation of trafficked women and their reintegration into the society.

In addition to the development cooperation, through humanitarian funding, Denmark supports Ethiopia through programs implemented by the UN agencies and Danish NGOs.



#### **GERMANY**

Ethio-German development cooperation has come a long way. Cooperation started 50 years ago, EUR 1.4 billion were disbursed in the meantime. Every three years, Ethiopia and Germany hold bilateral negotiations as part of the policy dialogue and in order to define priorities of cooperation. The main part of German development cooperation is implemented on behalf of the German government by the German development agencies GIZ (technical cooperation and capacity building) and KfW development bank (financial cooperation). The second pillar of German bilateral cooperation consists of activities proposed and implemented by nongovernmental organisations, including notably the Deutsche Welthungerhilfe, Menschen für Menschen, church based organisations and many others. Finally, Germany is actively involved in international institutions as part of European and multilateral development cooperation (e.g. via significant contributions at international level, including financial contributions to the European Development Fund, its shares in the World Bank and the regional development banks, and its financial support for the different funds and programmes of the United Nations and the International Monetary Fund).

Germany cooperates with Ethiopia through two main programmes, Education and Training being the new priority area. In total, it is more than EUR 170 million that Germany offers to support and strengthen Ethiopian development efforts from 2012 to 2014. Cooperation will continue the support given previously as part of the Engineering Capacity Building Programme (ecbp) in the areas of higher education reform, in particular in the engineering sciences and in the outcome-based TVET (Technical Vocational Education Training). The aim is to reform and to expand the vocational training as well as the vocational teacher and university training. This contributes to better employment opportunities and to the economic productivity in Ethiopia. Diverse advisory services and training measures aim to improve educational planning

so that the Ministry of Education, the Vocational Training Agency, authorities and regional ministries are able to manage the reform. The objective is to upgrade capacities and skills among those managing the reform. Vocational schools and training centres, the national vocational university, examination centres, technical institutions and technical universities recieve support in the form of investments. These are for technical equipment and measures to improve training and management.

The second priority area of Ethio-German cooperation is the national Sustainable Land Management Programme (SLM), which aims at reduced land degradation and increased agricultural productivity in Ethiopia, leading to higher income and food security of rural households. Technical and financial cooperation are complementary in their approach to stabilise the target groups' natural resource base, increase the availability of water, improve soil fertility and ultimately increase agricultural productivity under the Ethiopian Government strategy for sustainable land management in a nationwide approach. So far more than 140,000 ha of land were rehabilitated and around 70,000 households successfully apply SLM measures. The agricultural productivity has been increased by up to 35%, resulting in general improvement of farmers' livelihood. Furthermore, a total of 362 local user groups were established and are sustainably managing watersheds, applying diverse income generating activities.

Other bilateral cooperation programmes cover the following sectors and topics:

- Urban Governance and Decentralisation Programme,
- support to the National Quality Infrastructure (infact in collaboration with the EU cooperation),
- Capacity Development in the Seed Sector and in the Agricultural Training Center
- the Civil Peace Service Programme
- Energising Development (Renewable Energy)
- Drought resilience programmes (will be intensified)

The aim of German development policy is to give people the freedom to shape their own lives, by making their own decisions and taking responsibility for themselves, without suffering material hardship.

### MORE INFORMATION: http://www.bmz.de/en/index.html



#### **IRELAND**

Ireland has been working in Ethiopia since 1994. Irish Aid is the development assistance programme of the Government of Ireland. The overall goal of Ireland's development assistance to Ethiopia is to reduce the vulnerability of poor Ethiopian women and men, boys and girls. To achieve this goal, Ireland has a bilateral budget of €27.2 million for 2013.

Irish Aid's country programme for 2008-2012 is aligned to the GoE's Growth and Transformation Plan and supports the Government's commitment to eradicate hunger and poverty. Ireland concentrates on delivering aid to the poorest people in the country in two core areas: food, nutrition and livelihood security, and social services and accountability.

The **Food, Nutrition and Livelihood Security** pillar brings together investment in the Productive Safety Net Programme (PSNP, see box above) with local level engagement in SNNP and Tigray Regions, and partnership with civil society organizations and research institutes to jointly tackle the complex problems of food production, nutrition and livelihood security for Ethiopians. Irish Aid has contributed some €72 million since 2004. Irish Aid supports a number of CSOs that promote innovative activities to farmers, such as growing, processing and trading chili pepper, honey and other products.

The **Social Services and Accountability** pillar is focused on increasing utilisation of public services. Irish Aid is supporting the provision of better quality public services in Ethiopia, as well as initiatives which enable communities to better exercise

their rights and entitlements to access such services. Thus, Irish Aid supports the Protection of Basic Services Programme (PBS, see box above), with more than €30 million contribution since 2006 . Irish Aid is also supporting the multi-donor Health MDG Performance Fund which focuses support to maternal and child health services. In addition, Irish Aid is the lead donor on the Civil Society Support Programme, a multi-donor capacity development programme which prioritises hard to reach civil society organisations, and marginalised women, men & children.

Strong results are being achieved. There has been a significant and rapid reduction in the proportion of the population living in poverty, from 44.2% in 2000 to 29.6% in 2011. The risk of children dying before their fifth birthday has reduced by nearly half since 2000. Beneficiaries of the Productive Safety Net Programme are better able to cope with erratic rains and other pressures, having increased their calorie in-take and increased their assets.

Irish Aid works closely with other donors in delivering aid to Ethiopia. The coordinated approach has proven to be a very effective and sustainable form of assistance. It allows the GoE to better predict financial resources for development. Irish Aid allocates funding in three inter-connected ways: national programmes, regional/sub-national programmes and community projects.

In the future, Irish Aid expects to keep its focus on food security and health. Nutrition will be reinforced in both sectors, as part of a global focus on hunger. Thanks to different channels of funding (government, UN, and CSOs programmes), Irish Aid works to create a synergy between the State, the UN and NGOs. A regional focus in SNNP and Tigray Regions gives Irish Aid a grassroots understanding of policy in practice across both sectors.





#### GREECE



Historically, Ethiopia, an LDC, is one of the basic priority countries of Greece in sub-Saharan Africa with development assistance focusing at eradicating hunger and poverty in the framework of the MDGs. All aid of Greece to Ethiopia, both developmental and humanitarian, in the years 2002 - 2011, was in the form of grants and amounted to  $\epsilon$  11,40 million. Greece participates at the process of "Joint Programming" in Ethiopia and at "Co-Financing" that are both adopted by the EU.

Greek development co-operation in Ethiopia supprorts sectors that are of special importance to the poor of the country, namely, education, health, water supply and sanitation, agriculture, vocational training, SMEs development, infrastructure and tourism.



**Education.** Greece is providing continuous support to the education sector through the years. Indicative projects include, provision of numerous tertiary scholarships to students, support to University departments for academic activities, renovation and operation of an orphanage in Axomi, construction and rehabilitation of primary schools to cover primary education needs (Bulbulo, Amhara region).

Food security. Being an EU Member, Greece is a co-signing member of the "Food Aid Convention" 1999 and of previous Conventions ('95 etc). Under this status Greece has undertaken the obligation to annually send 10,000 tones of grain or other selected products, according to the arrangements of the Convention, to developing countries in need of assistance. Missions are basically implemented to the horn of Africa (Ethiopia) due to the structural nature of food insecurity in the region. Moreover, in 2009 Law 3741/6-2-2009 was voted by the Greek Parliament that refers to the ratification of the framework Agreement between Greece and FAO that anticipates close co-operation at the sector of food security via the implementation of relevant projects by FAO in Ethiopia.

Water suply. Water resources management is a very important sector for Ethiopia. In this regard special reference is due to the construction of a dam and a reservoir (infrastructure project) in the Damot Gale region funded by Hellenic Aid and completed in 2006, operating successfully since. Implementation of this project ensures 600,000 cubic meters of water annually, providing drinking water for

people and animals as well as for croplands, thus improving access to safe water and sanitation services, while enhancing domestic economy and rural development in the region.



**Health.** Greece is also implementing projects in the field of health care, by improving basic health infrastructure to enhance prevention of malaria at the Amhara region, by awarding medical scholarships to Ethiopian Doctors, by providing vocational training to medical staff, by providing medical equipment and medicines to hospitals and by supporting HIV/AIDS victims and pregnant women.

**Tourism.** Activities include training programmes for instructors of the catering and tourism training institute of Ethiopia, including human resource management in the hospitality industry, environmental assessment for hotel and restaurant management, e-management, e-sales, e-business, food and beverage services.

**Emergency, humanitarian and food aid.** Greece has granted significant financing in the last decade to International Organistations such as the WFP, UNHCR, CERF, IFRCRCS,

IGAD for humanitarian projects in Ethiopia. Furthermore, it has supplied emergency food aid and provided special services to victims of trafficking as well as accommodation and psychological support to asylum seekers victims of trafficking,

**Agriculture, forestry.** Projects train poor young people on agricultural practices (vocational training groups), have established a unit for cows breading and a modern apiary, promote reforestation - planting of one million trees on a land area of 15,000 acres, create nurseries for small trees and contribute to the natural resources management through soil conservation activities.



**SMEs development.** Seminars for senior executives of the Public Sector and Chambers of Commerce have been implemented on good practices for the creation of favorable business environments for SMEs based on the Greek experience.

#### **SPAIN**



MINISTERIO DE ASUNTOS EXTERIORES Y DE COOPERACIÓN



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The Spanish development agency, the AECID, has been working in Ethiopia since only four years. Nevertheless, with €139 million budget for the period 2008-2010 (including humanitarian activities), Spain is one of the major European contributors to the development of Ethiopia, which was made a top priority country in Africa within the framework of the Master Plan for the Spanish Development Cooperation 2009-2012. Spain is contributing to the implementation of the national development strategy and, according to the indicators, Ethiopia is progressing very fast towards the achievement of the MDGs. Harmonization with other countries and alignment with the national policies are, among others, the real value added of Spain.

In the **rural development and food security sector**, Spain is contributing to the effective implementation of the Agricultural Growth programme (AGP), led by the Ministry of Agriculture and Rural Development. With regards to water, Spain is working hand-in-hand with the Ministry of Water Resources and CSOs to give access to potable water to the population and build irrigation schemes.

Regarding the **Protection of Basic Services Programme** (PBS, see box above), which covers many areas such as education, health, food security, etc., Spain is contributing to the pool fund managed by the World Bank to ensure the provision of basic services to the poorest people. In the field of health, Spain is also supporting the Ministry of Health through a pool fund. The objective is to accelerate progress in achieving the **health** MDGs through the implementation of the Health Sector Development Programme (HSDP).

Spain is one of the few active donors in the field of **culture** and development; along with the Ministry of Culture, the Spanish cooperation is supporting the development of crafts, enhancing the natural, cultural and artistic heritage and supporting universities. Spanish and Ethiopian universities work together on research projects through the Inter-University Partnership, which aims to improve the capacities of the Ethiopian universities. With regards to gender, the Spanish cooperation promotes gender equality and women's empowerment through its support to the Ministry of Women's Affairs, Children and Youth and its regional offices. The goal is to improve their skills on policy planning, support the Parliament Women Caucus and local CSOs, mainly women and Spanish organizations for women's empowerment. As a cross-cutting issue, gender is an important component of all the Spanish cooperation projects and programmes. Spain is also involved in the achievement of MDGs through its participation in a multidonors' fund that implements five projects in the fields of gender, health, culture, private sector and climate change. Spain and the GoE are involved in a frequent policy dialogue based on mutual trust. The Spanish cooperation in Ethiopia works through bilateral funding, multilateral funding, and non-governmental funding, targeting Spanish and Ethiopian NGOs. The Spanish cooperation agency works as a team with a transparent communication and builds a constructive relation with local authorities. Spain applies the principles of aid effectiveness and is thus involved in pool funds. The overall goal of the Spanish cooperation is to contribute to poverty eradication, to stabilize the region and to actively participate in the development of the country.





#### FRANCE



With a contribution of  $\epsilon$ 390 million (including grants and loans) for the period 2011-2013, France is one of Ethiopia's major development partners. The French cooperation policy is fully in line with the Ethiopian GTP, the MDGs, aid effectiveness principles and with the joint-strategy of the EU in Ethiopia. France has a long-standing experience in Ethiopia thanks to its cultural institutions and NGOs. The French cooperation works closely with the French Development Agency (AFD), its main operator for development aid. AFD's mandate is to finance development projects and to promote social and economic development in partner countries.

France plays a key role in water supply and sanitation. The French cooperation co-finances, along with the World Bank, the increase of water supply to the city of Addis Ababa, and the drilling and equipment of boreholes in order to provide Addis Ababa and Dire Dawa with an improved quantity and quality of water. France is also dedicated to improving access to water and sanitation in rural areas through local projects. With regards to the energy and infrastructure sector, an ambitious project is under construction; the windmill park of Ashegoda is expected to provide 120 MW when fully connected to the national network. AFD is on the way to finance the exploration of geothermal source of energy in Tendaho, transmission lines in and around Addis Ababa, and electric network management.

France promotes governance through programmes aimed at supporting the Ethiopian justice system reform and at creating "the Institute for Leadership and Good Governance" to train senior civil servants, in partnership with UNDP. Through the Social Fund for Development (FSD), France also contributes in capacity building of local CSOs. Furthermore, five French cities have set up cooperation agreement with Ethiopian cities, in order to develop exchange and to support projects, especially in the water, urban development, heritage and tourism sectors.

France is also involved in supporting higher education and research, through French language teaching, scholarships programme and capacity building for research in universities, particularly at Addis Ababa University with the creation of four research centers focused on food security, water, IT and urban development. France is present in Ethiopia since 1907 through the Alliances éthio-française in Dire Dawa and Addis Ababa, and since 1947 with the Lycée Guebre Mariam. The French Center for Ethiopian studies (CFEE) is a key partner in the field of research and preservation of the historic heritage, specially in Adwa, Dire Dawa, Harar, Konso and Gondar.

Along with AFD, the French cooperation is looking forward to implementing new urban development projects in Addis Ababa, with the involvement of the French city partner Grand Lyon: the projects include the development of the master plan of the city; the closure of the dump site of Koshe Reppi and the creation of a new, modern municipal sanitary landfill; the implementation of the Bus Rapid Transit system (BRT) aimed at making public transports more efficient; and the financing for the construction of a new and modern slaughterhouse.

In future, France wants to pursue the Ethio-French local authorities' cooperation. The wide range of AFD financial tools, especially sovereign loans to the GoE, is a great opportunity for an increase of French support to the economic and social development of Ethiopia.





#### ITALY



The overall goal of the Italian cooperation in Ethiopia is to improve livelihoods and promote sustainable human development and economic growth with a particular focus on women's impowerment and responsible environmental management. The 3-years budget of the Italian Development cooperation (IDC) for the period

2009-2011 is worth €49.3 million, inform of grants, and focuses on 4 priority sectors.

Italy has been giving a continuous support to the education sector in Ethiopia to which it contributes with more than 23 million euro for the quality improvement of primary, secondary and higher education system. Namely, Italy supports the General Education Quality Improvement Programme (GEQIP) and gives its contribution to the Education Sector Development Programme (ESDP) both at central and regional level, focusing on Somali, Afar, Oromya and Tigray

Italy is the third bilateral donor to the Ethiopian health sector. Furthermore, it contributes to multi-donor funds, such as the Millennium Development Goals (MDG) Fund and the Protection of Basic Services (health component). Italy has been providing, through its contribution to the Ethiopian Health Sector Development Programme (HSDP), critical technical assistance in strategic areas of health systems strengthening, such as Health Management Information System, Human Resources Development and Drugs Management, where there is the largest gap between needs and resources available.

The Italian Cooperation is also supporting projects in the field of **rural development**. This includes the following interventions:

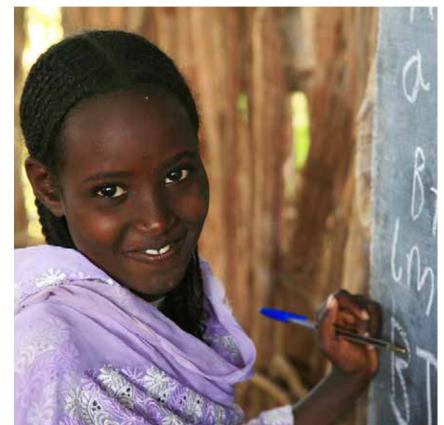
- The Value Chains in Oromia project, in partnership with the Overseas Agronomic Institute (IAO), which enhances the value chain of two traditional Ethiopian crops durum wheat and Harenna forest's coffee through the strengthening of key institutions and support to local farmers in the adoption of new agricultural and post harvesting techniques, in order to gain appreciation and therefore increase the value of production on the local and international market.
- The SupHort Project, implemented by the Mediterranean Agronomic Institute of Bari (IAM), focused on horticulture, aims at increasing productivity and competitiveness of small farmers in the horticulture sector and strengthening the capacity of the agricultural extension services.
- Two projects in partnership with FAO: the first one in Tigray, which objective is the strengthening of cactus pear and fruit production; the second one, in Arsi Zone

(in Oromia region), which focuses on crop diversification, marketing and food security for small holders.

Access to water and sanitation is a matter of concern in Ethiopia and Italy supports two projects in this field. The first project targets five small and medium-sized cities in four regions (Oromia, SNNPR, Tigray and Amhara), while the other project is implemented in five rural districts of the Oromia Region. Both initiatives are aimed at improving people's access to safe water and sanitation services.

Historically, Italy has been involved in huge infrastructural interventions (Gilgel Gibe II) and a large-scale rural development project in Arsi Bale. The health sector has also received major Italian contributions over the years (Asella and Mekelle Hospitals).

In the next country programme, Italy will remain involved in the same sectors, with an increased focus on small holders, strengthening of value chains and creation of a favorable environment for private investments in line with the CAADP process and the G8 'New Alliance for Food Security and Nutrition'. Italy will also be part of a joint programming exercise with other EU Member States and the EU Delegation.





#### THE NETHERLANDS

With an average annual budget of €60 million, the Dutch cooperation is actively involved in Ethiopia, which is a high priority country for the Netherlands. On the one hand the Netherlands follows the social and economic track of achieving the MDGs through poverty alleviation, fostering sustainable growth, investing in education, health and gender equality. On the other hand, the Netherlands follows a 'political' track aimed at improving governance and human rights as well as influencing the regional security situation.

Within the field of governance the Netherlands contributes to multi-donor programmes such as the Civil Society Support Programme and the Democratic Institutions Programme (DIP, see box above). Furthermore, activities in the field of prison reform, human rights training of police staff and strengthening of the judiciary are supported, as well as the Social Accountability component of the Protection of Basic Services programme (PBS, see box above).

With respect to sustainable growth - and distribution - the Netherlands contributes to the Productive Safety Net Programme (PSNP, see box above), through which vulnerable people achieve increased self-sufficiency and their resilience against external shocks has increased. The Netherlands also contributed to the education sector through participation in the General Education Quality Improvement Programme (GEQIP) and through funding of NGOs in the sector.

An important component of the Netherlands' programme in Ethiopia is the creation of public-private partnerships,

among others established in the fields of horticulture, oilseeds and seed production. Making use of private sector networks and of specific instruments for the promotion of trade and investment, partners can be linked and new Dutch investors attracted, resulting in various joint ventures. These successful partnerships occur mainly in the agricultural sector.

In health and the fight against HIV/AIDS the Netherlands actively supports the strengthening of health systems, the increased availability of essential health commodities and the improved coverage and quality of basic health care. It aims at ensuring policy dialogue on demographic issues and the position of women in relation to sexual and reproductive health and rights.

The Netherlands contributes also to other, crosscutting, issues such as gender via UNFPA's Violence Against Women programme and environmental protection through the Horn of Africa Regional Environmental Centre. In view of Ethiopia's repeated natural crises the Netherlands

responded positively to the appeals for humanitarian aid, mostly channeled through the UN system in line with the Netherlands' commitment to the principles of aid effectiveness.

The Netherlands mainly support national programmes and have a continuous policy dialogue with the GoE. In a regional context, the Netherlands contribute to the promotion of international peace and security. The overall goal of the Ethio-Dutch cooperation is to support Ethiopia in becoming a prosperous country and to support democratic processes.

In the next years, the Netherlands will focus their activities on the areas of food security, sexual and reproductive health and rights (SRHR), improving governance and the rule of law. The contributions to PSNP will continue and be complemented by support to the Agricultural Growth Programme and to other innovative agricultural activities. The annual budget for Ethiopia might increase but awaits decision making at the Dutch political level.



#### **AUSTRIA**

#### Austrian

#### Development Cooperation

Austrian Development Cooperation (ADC) actively contributes to reducing poverty, promoting security and preserving natural resources, thus making a major contribution to achieving the MDGs. Austrian assistance helps people in their efforts towards sustainable development. All programmes are aligned with Ethiopian development policies and coordinated with the EU and other development partners. ADC primarily supports programmes in areas where it has gained long-standing experience. The official development assistance allocated to Ethiopia has increased since 2008 to reach  $\in$  8.5 million in 2011. On top of its assistance to rural development and the health sector, ADC contributes to the Protection of Basic Services Programme (PBS, see box above).

In the **rural economic development and food security** sector, measures include improving cropping methods, imparting know-how in livestock breeding and introducing new fruit tree varieties. It aims at raising agricultural output and securing income to enable Ethiopian farming families to build stocks and earn money so that they can survive periods of drought or crop failures. Austria also supports the management of the Semien Mountains National Park.

The programme objective is to improve park management, raise awareness of natural resource conservation and increase income for local households. It has assisted the government's initiative for resettling the local population and demarcated the park boundaries. A cooperative tourism centre has been set up to organise trips in the park. Tourism has since expanded, recording almost 15,000 visitors a

year. Many jobs have been created and training provided to enable the resettled people to earn alternative income. The whole region has benefited from this programme with target group income doubling in two years. Austria's contribution for the last five years amounts to  $\in$  8.2 million.

Austria also provides support for the **National Health Sector Development** Plan in the Somali Region. Ongoing for more than 10 years, this programme seeks to improve access to health services for people living in remote areas. It trains and equips nurses, mid-wives and health extension workers. It also builds health stations for easier access to primary health care. In addition, the programme supports the Gode and Jijiga Health Science Colleges in teachers' training. Austria's contribution for the last five years amounts to €5.6 million.

These programmes have already had an impact: in 2012 over 15,000 households in North Gondar Zone earned more income; access to health services has improved for 1.27 million people and 1,350 health extension workers have been trained. Local authorities and the people hold Austria in high regard as a valuable partner because of the long lasting partnership. Austria has gained long-standing experience in Ethiopia, especially in the Somali Region and North Gondar Zone, where it is one of few donors. Austria actively participates in the EU-Joint Programming where European countries take joint decisions together with the Ethiopian Government. Harmonisation with the EU also means alignment with the Ethiopian Growth and Transformation Plan (2011-2015). The Joint-Programming in Ethiopia will lay the foundation for a more coherent EU development policy in the country.

Austrian Development Cooperation will pursue its goals of reducing global poverty, ensuring peace and human security and preserving the environment in an international framework. Development assistance to Ethiopia will help enhancing the current amicable relations with Austria.





# Polish aid

#### **POLAND**

Poland is a recent donor. Nevertheless, with €150,000 budget, Poland is successful in implementing small-scale development projects and in bringing innovative working methods in the cooperation field.

The Polish AID in Ethiopia is mainly focused on the environment protection and conservation and support to the sustainable development of the local communities. within this framework the Polish flagship programme, 'an implementation of **ecohydrology** for integrated water management and sustainable development in Ethiopia', was launched in 2008 by the European Regional Centre for Ecohydrology of Lodz, Poland, in close partnership with the Ethiopian Ministry of Water and the Biofarming Institute of Asella.

Poland is also active in the field of **education and health**: the goal is to improve the access to schools and health centers, for example with the construction of a bridge in Warago area that enables people to access health facilities faster.

Poland announced in 2011 the creation of the **first multiannual programme** of the development cooperation within the Polish Ministry of Foreign Affairs. The funds allocated to Ethiopia will increase, as Poland decided to focus its African development cooperation strategy on Eastern Africa.







#### FINLAND

Development cooperation is the most important element of the relations between Ethiopia and Finland and it started in 1967. Ethiopia became Finland's program country in 1982 and is now one of Finland's long-term development cooperation partner countries.

The Finnish Special Needs Education program is raising awareness of disabled learners' right to education, creating a multi-level support system for inclusive education, and ensuring that special needs and inclusive education is part of all teachers' trainings in the country. The objective of this unique programme in Ethiopia is to integrate special needs and inclusive education as a living part of general education. In education issues, Finland is also part of the multi-donor funded GEQIP program with €19.9 million for 2009-2013.

Another innovation brought by the Finnish cooperation consists in the Community Managed Projects (CMP), in the field of water supply, sanitation and hygiene (€42.2 million for 2009-2013). The distinct feature of the CMP approach is the decentralization of implementation and management responsibilities down to the communities' level. The communities receive construction financing through a micro-finance institution, in which they hold two accounts, project and savings. These communities are fully responsible for the development process, including planning, implementation and maintenance, thus ensuring their ownership on the project. The respective regional/woreda bureaus/offices provide technical assistance and

organise capacity building for the communities. Since the adoption of the CMP approach (2003/2004), construction rates have climbed to a triple of the sector average and close to 1.5 million people have been served with clean potable water and has improved sanitation services. Finland has supported the CMP in Amhara (€11.5 million, 2007-11) and Benishangul Gumuz (€11.4 million, 2008-13). The GoE has now streamlined CMP mechanism in the WASH Implementation framework, and the mechanism has been adopted by five regional governments, the UNICEF and the Netherlands Government.

Furthermore, Finland plays an active role in rural economic development with its support to the land administration, watershed development and agricultural growth. In this sector, the aid amounts €22.6 million for 2011-2015. In land administration, the REILA programme (Responsible and Innovative Land Administration in Ethiopia) aims at improving livelihoods and economic well-being of rural populations, achieving improved and appropriate land administration system in Ethiopia which will improve land tenure and facilitate responsible land allocation for investments. In watershed management, Finland supports

the Tana-Beles Integrated Water Resources Development Project (TBIWRDP) through technical and financial assistance in collaboration with the World Bank. Finland has been funding the initiatives of the local civil society organizations with €3.6 million (2007-2011) the objective to reduce poverty, enhance good governance and the rule of law through education in human rights and democracy.

Finland contributes (2.2 MEUR 2010-13) to the WASH subsector capacity development through the UNICEF WASH Capacity-Building Project in cooperation with DFID and IDC. The national level programme enhances organizational development, continuous professional development, and contributes to the strategic sector support.

The Programme for Agro-Business Induced Growth in the Amhara National Regional State (Agro-BIG) uses the Value Chain Approach for poverty reduction through agriculture based economic growth. It aims for increased value addition of selected agricultural commodities through Agro-business development and capacity building of all stakeholders along the value chain to facilitate improved market access. Finland's contribution is 9.3 MEUR 2013-2016.

Finland supports Ethiopian development through several means, the first one being the bilateral cooperation. Finland

and Ethiopia hold a country consultation every three years. The last consultation was in 2009, and the next one is planned for 2012. Finland also works with the EU, international financing institutions, UN agencies, AU, IGAD and also gives grants to Finnish and local CSOs. About ten Finnish NGOs are working in Ethiopia, representing more than €4.75 million. Moreover, in 2011, Finland has dedicated another €13.8 million for humanitarian assistance in the Horn of Africa.



# SWEDEN

#### **SWEDEN**

The Swedish cooperation with Ethiopia has been ongoing for more than 50 years. Sida, the Swedish International Development Cooperation Agency finances projects and has staff stationed at the Swedish Embassy. With approx. €152 million for the last five years (2007-2012), Sweden has been active in several fields but will reduce its intervention sectors to 3 in order to implement aid effectiveness principles. The sectors being: Democracy and Human Rights, private sector development and research.

Sweden has contributed to poverty reduction in Ethiopia through diverse sectors, the first being its contribution to the Democratic Institutions Programme (DIP, see box above) as the major donor, and to international and local NGOs in the field of social and economic rights. For the last 13 years, Sweden was also active in the field of rural development in the Amhara region, providing funds for irrigation schemes, training of land surveyors, diversification of crops, land administration and rural roads' maintenance. Sweden, along with Finland, supports the GoE in land administration, whose goal is to implement the fiscal decentralisation through grants to woredas and budget support, thus allowing the woredas to choose their own budgeting priorities. Another innovative contribution is the support to changing gender roles at the household level through a game of stick and stones that visualizes and starts an attitude as well as real change in the division of labour between men and women in the household.

Sweden is also involved is the **private sector development** with the Amhara Women Entrepreneurial Association that gathers 3,000 individual entrepreneurs and that is

providing capacity building, in collaboration with the Swedish Chamber of Commerce. The goal of this project is to reinforce the capacities and skills of the business owners. Sida also contributed in the creation of "think tanks" for dialogue between the private sector and the GoE.

With regards to **research**, the Swedish cooperation is providing training to postgraduate level and research PhDs at Addis Ababa University. Sweden allocates €3 million a year to this programme in order to increase the capacities of the new teachers for the 31 universities.

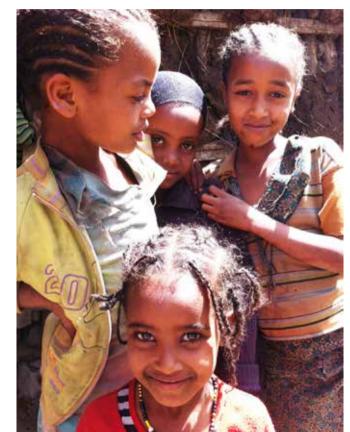
Furthermore, Sweden supports **Civil Society Organizations** by providing support to 9 umbrella organizations, which in turn support about 150 NGOs. Sweden's contribution to this programme is approx. €5 million a year. In 2012, Sweden entered into an agreement with the multidonor Civil Society Support Program(CSSP) with a contribution of 17 MEuro per year.

The activities of Sweden in Ethiopia actively contribute to poverty eradication, with an improved access to market places and networks, maternal health, a decreased gender gap at school, increased economic empowerment of women, a reduced practice of early marriage and violence against women, and eventually less vulnerability to food security thanks to the increase of the farmers' income.

With more than 100 years of interaction with Ethiopia, Sweden has gained a lot in terms of Swedish experts gaining experience in the field and volunteers deployed. During 2013 Sweden will develop a result strategy for Ethiopia that will direct the coming years contribution to the development agenda. Most certainly this will include a continuation within areas such as good governance, research and women's economic empowerment. Sweden will also pursue its involvement in the policy dialogue with the GoE and is looking forward to continue the work on land administration and land rights.









#### **UNITED KINGDOM**

The United Kingdom provides development cooperation through the Department for International Development (DFID). With €1.55 billion¹ for the period 2011-2015, DFID's programme in Ethiopia is currently the UK's largest in the world. The UK will concentrate its efforts on supporting achievement of the MDGs, creating wealth in Ethiopia, improving governance and security, supporting women and girls, and tackling climate change.

In the last five years, with substantial support from the UK and others, Ethiopia has: lifted three million people out of poverty and reduced child mortality by a quarter; rolled out an innovative social safety net to protect almost eight million of the most vulnerable people; and put four million more children in primary school.

The UK's support is structured around three themes, the first one being the protection of the most vulnerable by building the resilience of the very poorest by reducing food insecurity and improving livelihoods and security in fragile and/or conflict-affected areas. This includes support to the PSNP programme (see box above). The second is the consolidation of recent gains and the efforts towards the achievement of the MDGs by continuing to support, extend and improve proven programmes to expand access to quality basic services. This includes support to the government's PBS (see box above), health, education, as well as water and sanitation programmes. The third is making the impact of the UK's support more transformational by complementing existing programmes and:

- putting girls and women front and centre of all we do;
- working to ensure that over time the humanitarian effort responds exclusively to crises;
- addressing geographical inequality that is cause and consequence of fragility and conflict;
- investing to accelerate growth, trade and investment;
- increasing resilience to changing weather patterns and leveraging the financial and low-carbon growth opportunities presented by climate change;
- empowering citizens and building domestic accountability and;
- innovating to leverage faster progress

The DFID Ethiopia programme will deliver a significant share of DFID's global contribution to the MDGs. Over the next four years UK Aid will help: support two million children in primary school; ensure the delivery of half a million safe births; provide 1.4 million more people with

access to safe drinking water; increase the incomes of 275,000 households and; provide 3.5 million women with improved access to security and justice.

DFID's programme in Ethiopia is fully aligned with the UK's global priorities for development including a commitment to results, transparency and accountability and value for money.

FOR MORE DETAILS: PLEASE SEE; http://www.dfid.gov.uk/ethiopia





