



# Ethiopia

Country Strategy 2014–2016

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## Country Strategy Ethiopia 2014–16

The validity of the present strategy with respect to content as well as duration has been tuned with the Growth and Transformation Plan (GTP) of the Ethiopian government. It is to be considered as a supplement of the agreements concerning the joint programming of the EU, insofar as the specific Austrian profile and cooperation potential as well as the added-value of the Austrian Development Cooperation (ADC) is represented and interpreted.

Ethiopia is one of the two -priority countries of ADC in the East African region.

### 1. Background

The Human Development Index ranks Ethiopia in 2012 at position 173 out of 187. The Gini index per-capita income amounted to 1.017 USD. The Doing Business report of the World Bank in 2013 places Ethiopia at position 127 out of 185 with a deterioration as against 2012. On the Ibrahim Index of African Governance, which explicitly deals with economic indicators, Ethiopia was on 33<sup>rd</sup> place out of 52 in 2011. The Ethiopian Household Income Consumption and Expenditure Survey (2011) came to the conclusion that 29.6 percent of the population live below the poverty line (2005: 38.7 percent).

### 2. Strategic Goals of the Cooperation

The decentralization of the administration as well as their capacity building for the implementation of development programs also in remote areas on the one hand and the improvement of the basic infrastructure as well as the necessary adaptations to a precarious environmental situation and the results of the climate change, on the other hand, are among the crucial challenges facing Ethiopia. In this regard, ADC seeks to contribute to Ethiopian democracy development, to an improved management of the natural resources as well as an increased level of income.

In this context ADC will keep a close eye on all possibilities of promoting a market economy without disregarding the objectives in the areas "Social" and "Environment".

### 3. Thematic Priorities

In the validity period of the country strategy, the ADC will focus, in accordance with the guidelines of its Three years program and taking the nexus thoughts into account, on two closely linked priorities:

#### i) Food Security, Land Use and Sustainable Resource Management

The focus will be on the promotion of the living conditions of the local population, increasing the resilience of households and communities through improved management of local resources, and adapting local production methods to climate change. Small scale family-run farms and cooperatives are the primary target groups<sup>1</sup>. Furthermore, the goal of sustainable ecological and social development will be linked with short-term engagements for

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<sup>1</sup> 80-85% of the population is engaged in agriculture, which survive on subsistence farming, shifting cultivation and as pastoralists. With nearly 50% of the GDP, it is still the largest economic sector in Ethiopia.

securing a livelihood in accordance with the principle “Linking relief, rehabilitation and development (LRRD).

The most important opportunities of local value creation for the rural population focus on intensifying and diversifying of agricultural production on the one hand as well as the labour-intensive further processing, improvement of the storage systems and marketing on the other hand.

Contributing to an improvement of the framework conditions, particularly with respect to access of resources (for instance land) and services, extension of the social and economic infrastructure as well as securing access to markets are at the core of attention.

## **ii. Public Services at the Local Level**

The decentralization of the public administration is a fundamental concern of the national development policy of the country. These include in particular the provision of basic services at the local level (health care, education, agriculture, water and sanitation) as well as transparency and improvement of the public finance administration. In this regard, considerable focus will be given to equal access to the population, their participation in the planning and decision-making processes, the optimization of the quality of services and accountability at the local level.

Moreover, the promotion of the basic services enables the regular dialogue with the responsible line ministries on key development issues (macroeconomics, finance administration, budget) as well as the attainment of the goals of the national development plan.

## **4. Regional and Local Priorities**

ADC combines these priorities on the geographical focus in North Gondar, whereby among others, the important strategic role of decentralization and the principle of subsidiarity within the framework of the development policy of Ethiopia will be taken into account. One of the important goals of this engagement is the strengthening of the capacities and empowerment of the regional and local partners. This will contribute towards self-responsibility for the joint planning and implementation of development measures, focusing on concrete requirements and articulated interests of the population as well as the direct participation of the target groups. This concentration of activities will be in accordance with among others that of the EU approach to territorial development. Ethiopia's prioritized development concerns will be taken into account in this regional program on the basis of local contexts of division of labour in a specific way.

## **5. Coherence, Synergies and Complementary Instruments:**

The use of the complementary instruments of ADC in the fields of economy, science and research and humanitarian cooperation, the engagement of (non-governmental organizations) NGOs and the multilateral ADC will be planned and coordinated in a proactive manner within the framework of the implementation of the country strategy and the widest and best possible deployment of synergies. Furthermore, the instruments will be adapted with respect to the needs and within the range of Ethiopia's possibilities.

The results of the efforts for the optimal use of the instruments will be jointly evaluated with the Ethiopian partners, based on an annual inventory by the coordination office in Addis Abeba, the Austrian Development Agency (ADA) and the Federal Ministry for Europe, Integration and Foreign Affairs, compiled in close cooperation with the Ethiopian partners.

Together with the analysis of further possible interfaces, this representation constitutes a major part of the envisaged result oriented reporting within the strategy cycle. The knowledge obtained from these regular internal strategic reviews will be made public, once information has been provided through the management levels in Ethiopia and in Austria.

### **Economics and development**

Focusing particularly on those cooperations with direct links to the priority areas of the country strategy

### **Science and Research**

Active efforts in the development and strengthening of concrete partnerships, program synergies and South-South cooperations relevant for Ethiopia.

### **NGO-cooperation**

Focusing on capacity building and empowerment at local levels, participation in Joint Learning Mechanisms, support for networking and connecting to funding instruments

### **Multilateral Development Cooperation**

Active advocacy in multilateral fora for engagement in Ethiopia and for possibilities of specific allocation of Austrian compulsory and voluntary contributions for the priority country and region. Based on the lessons learned, Austria will focus on the sectoral and thematic priorities of this program.

### **EU-foreign aid instruments**

Advocacy with respect to the interests of the priority country

### **Humanitarian aid:**

Focusing on coherence consistent with the approach “Linking Relief, Rehabilitation and Development” (LRRD) and active support of the cooperation of Austrian NGOs with international organizations.

## **6. Monitoring and quality assurance:**

The continuous tracking of development policy experiences and knowledge from the cooperation with Ethiopia is based on the strategic monitoring framework of ADC. This includes the following elements:

- a. Monitoring of the implementation and results of national development strategies and the sectoral and local development plans relevant for Austria
- b. Continuous evaluation of ADC-specific indicators and application of evidence based approach with respect to required adaptation of the Austrian engagement.

These are related to the performance and value of ADC, the pursuit of concrete strategic issues, consideration of synergies and the priorities in accordance with the current Three years program of the Austrian development policy, the valid thematic guidelines and the goals and principles of the Development Cooperation Act.

In Ethiopia, an effective monitoring of development processes and results requires a broad based cooperation with respect to the quality of the available data and the identification of baseline data and benchmarks. For this reason, ADC will contribute within the framework of its country strategy on the obligation of the Accra 2008 action plan, towards strengthen-

ing of the corresponding information systems. Furthermore, all possibilities will be exhausted to make at least statements on likely trends and approximate values. An important requirement in this regard is the strengthening of the capacities of the players and relevant institutions at all levels in Ethiopia as well as the willingness to actively participate in conducting analyses, inventories, and reviews and to make this information public.

Furthermore, an important element of this strategy is the improvement of the result-based accountability and the transparency towards the public, whereas the instrument of the stakeholder dialogue will be resorted to in decisive phases. Transparent dissemination of information, continuing documentation of experiences as well as the possibility of joint learning processes are important components of the evidence based and result oriented approach. ADC's monitoring will particularly include an accompanying report regarding the special challenges of the Ethiopian development policy: this relates above all to the experiences and successes in geographic and socio economic transition zones such as the regional states of Somali and Gambela, but also the further development in handling of national and regional disparities.

The country strategy of Ethiopia is understood based on the usual hierarchy of guidelines as the specification of the current Three years program of the Austrian development policy 2013–2015. This includes mainly<sup>2</sup>

- a. Formulation of goals and corresponding results with quantitative indicators and
- b. Reference to goals and attained results in preceding program periods

In the interests of the consistency of the system of the strategic guidelines, ADC's monitoring will be undertaken on the basis of a new result framework that shall be followed with the Ethiopian partners, and will inter alia also make reference to concrete offers and services of ADC. Regarding coherence and strengthened result and effect orientation, the monitoring includes not only the utilization of the funds for the priority areas defined by the (Austrian development Agency) ADA, but rather the whole (Official Development Assistance) ODA. This involves particularly observing and monitoring of common efforts with other donors and possible changes of framework conditions within the local or thematic interests of ADC.

The respective responsibilities and individual performances for the usual steps of impact assessment, composed of

1. Problem and potential analysis
2. Formulation of the goals and expected results
3. Conception of measures
4. Impact assessment and formulation of indicators
5. Identification of baselines, benchmarks and the essential requirements of data
6. Planning of internal evaluations and reviews and
7. Presentation of own results ( in the sense of successes, hindrances and identified solutions)

will be determined on the basis of a regular updating process with divided responsibilities.

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<sup>2</sup> Evaluation of the Paris declaration (phase 2), case study Austria, summary of the evaluation report in 2010

In addition to the funds from the country budget line (the total of 2013, 2014 and 2015 amounts to 13.2 Million Euro) Ethiopia will receive variable financial contributions from other budget lines of ADC.

Furthermore, the global support instruments will be available for Ethiopia. In order to address these instruments more strongly, ADC will follow a continuously revised accession strategy on these instruments, closely cooperates with civil society organizations and with Austria's Chamber of Commerce, the Federal Ministry of Finance and the Austrian Development Bank.

The possibility of development policy cooperation with the European Commission within the framework of a delegated cooperation will be actively pursued.

With respect to the joint programming, the Federal Ministry of Europe, Integration and Foreign Affairs and ADA support the widest possible approach, in order to contribute towards increasing the effectiveness and accuracy of international cooperation through coordinated engagement.

## **Annex 1**

### **Consideration of the Cross-Cutting Issues Included in the Development Cooperation-Law and the Three Years Program**

#### **Poverty reduction and safeguarding livelihood opportunities**

In this context, the ADC pursues a targeted support for the disadvantaged and vulnerable section of the population. Special attention is given to strengthening of their livelihood and resilience as well as an improved access to utilization of resources and public services.

#### **Gender**

Women are strongly disadvantaged in all aspects of life. In agriculture, women are still contributing most of the work, but at the same time have a significantly lower income and limited prospects regarding access, participation or ownership and independent cultivation of land.

#### **Governance**

The interest of the ADC focuses among others on the decentralization policy of Ethiopia with respect to the promotion of self-responsibility at the local level. This includes the decision-making capability regarding priorities, planning and implementation, particularly the obligation on transparent information and accountability.

#### **Environment**

The ADC contributes towards the implementation of the environment policy of Ethiopia. Major interfaces at the local level are the areas of protection of forests, land and water resources, combating the use of fire for forest clearance and bush fires, as well as containment of soil erosion.

#### **Conflict Prevention**

The interest of ADC focuses on the prevention and containment of conflicts that are often based on competition for resources and traditional usage rights.

Due to its geopolitical position at the Horn of Africa, the border conflict with Eritrea, the crises in Somalia and in the Sudan/South Sudan, as well as the many ethnic groups/peoples in the country itself, the pastoralists in the border regions, and the increasing number of refugees – partly due to the conflict in South Sudan –, there is massive potential for conflict in and around Ethiopia. A conflict sensitive approach in the priority sectors of the ADC in Ethiopia provides a contribution towards conflict prevention in the country and in the region. The ADC supports the regional approach of the EU-strategy for the promotion of peace and security in the border regions.

#### **Human Rights**

ADC generally advocates a systematic application of a human-rights based approach in all bi-and multilateral development measures and strategies. In the case of Ethiopia, this inter alia relates to the implementation of the human right to food and water, but also to measures on gender equality.

In the interest of monitoring the progress of and successes with the human-rights based approach, which looks at development from the rights and obligations point of view, the implementation of the specifically stipulated human rights objectives of ADC projects is to be made transparent. As a result of the focus on the human rights based approach on empowerment, non-discrimination, participation and the responsibility of players, the implementation of human rights principles will be verifiable, and thereby a contribution towards the coherence and sustainability of ADC programs is made.

## Annex 2

### Results framework

GOALS	RESULTS	INDICATORS
<b>Thematic Program: Sustainable Rural Development and Management of Natural Resources in North Gondar</b>		
Improvement of income-generation opportunities	The amount of cultivated, improved crops has been increased. The number of bred and marketed livestock has been increased. Diverse value chains have been identified and promoted.	<ul style="list-style-type: none"> <li>— Number of people profiting from improved income generation opportunities (benchmark 25,000 households, thereof 25 % women)</li> <li>— Percentage increase in annual household income (benchmark: 30)</li> <li>— Number of households increasing their income through husbandry by 60% (benchmark: 8,700)</li> </ul>
	Alternative means of existence identified and promoted	<ul style="list-style-type: none"> <li>— Increase in the number of people working outside for agriculture (benchmark: 1,900 households)</li> </ul>
Enhancement of quality of cultivated varieties	New varieties identified, spread, adopted	<ul style="list-style-type: none"> <li>— Number of new varieties, new seedlings and functioning gardens</li> </ul>
Support for small animal breeding	Status of animal breeding and husbandry increased	<ul style="list-style-type: none"> <li>— Number of involved households and inseminated cows (benchmark: 20,000)</li> </ul>
Better feed supply for livestock	Production of diverse feed supply increased	<ul style="list-style-type: none"> <li>— Size of land cultivated to this end (benchmark: 2,750 ha)</li> </ul>
Better management of natural resources	Methods of Integrated Watershed Management improved	<ul style="list-style-type: none"> <li>— Size of land where Integrated Watershed Management Method is implemented (benchmark: 2,784 ha)</li> </ul>
	Local land administration strengthened	<ul style="list-style-type: none"> <li>— Number of solved land disputes</li> <li>— Number of transferred land titles</li> </ul>
Improvement of forestry management	Demarcation and mapping of wooded areas has been carried out.	<ul style="list-style-type: none"> <li>— Size of protected wooden areas (target value/benchmark: 1,400 ha)</li> </ul>
Increase of biomass production on the household level	Availability of timber for household use has been increased.	<ul style="list-style-type: none"> <li>— Size of protected, family-cultivated reforestation areas (target value/benchmark 461 ha)</li> </ul>

## Thematic Program: Public Services on the Local Level

Promotion of agricultural production	Technical know-how in the area of agriculture has been improved.	— Number of people profiting from agricultural counseling and further education services
Promotion of expertise in sustainability and diversification	Knowledge of ecological conditionalities and market potential has been increased.	— Number of development experts focussing on agroecological zones and highly profitable crops
Improvement of infrastructure in water and sanitation services	Water supply systems and their degree of rehabilitation have been improved.	— Percentage of non-operational water supply projects (distinguished by region and urban/rural) (benchmark on the national level: 10%)
Improvement of supply in the health-care sector	Supply coverage has been increased.	— Number of people relative to health care personnel (distinguished by region) (benchmark: 1:2,500; until 2015 population ca. 87 m.)
Increase in the sustainability of autofinancing in the healthcare sector	Quality of local development finance in the health care sector has been increased.	— Percentage of health care personnel financed through subsidies
Increase in the sustainability of autofinancing in primary education	Quality of local development finance in primary education has been increased	— Number of teaches financed through subsidies
Improvement of supply in primary education	Quality of primary education has been increased.	— Ratio of students to teachers (5th to 8th grade) (benchmark: 43:1)
Increase in transparency and public participation in local development processes	Local population can participate in development planning and priority setting.	— Percentage of people informed about the Budget and plans of their Woreda (benchmark: 25 %)
Improvement in connectivity with public infrastructure through rural roads	Access to basic services has been improved.	— Time needed to reach an all-weather-road
Improvement of communication between local administration and public	The local administration is better informed about the needs and expectations of the population.	— Percentage of people stating that employees of the Woreda are actively surveying popular opinion regarding the improvement of basic services in Kebele (benchmark: 55%)