



Ethiopia

Country Strategy 2008-2012



Imprint

Federal Ministry for European and International Affairs
Austrian Development Cooperation and Cooperation with Eastern Europe
Minoritenplatz 8, 1014 Vienna, Austria
phone: +43 (0)501150-4454
fax: +43 (0)501159-4454
abtvi4@bmeia.gv.at
www.entwicklung.at

The country strategy was written by:

- Federal Ministry for European and International Affairs, Department for Development Cooperation and Cooperation with Eastern Europe, Vienna
- Coordination Office for Development Cooperation, Addis Ababa
- Austrian Development Agency

Editorial Team: Manfred Schnitzer, Waltraud Rabitsch, Leonhard Moll, Ursula Steller

Vienna, November 2007 (Version May 2009)

Copies available from:
Austrian Development Cooperation – Information Desk
Austrian Development Agency, Zelinkagasse 2, 1010 Vienna, Austria
oeza.info@ada.gv.at; www.entwicklung.at

Cover: © ADC/Coordination Office



Table of contents

Acronyms	2
Summary	4
1. Development strategy choices for Ethiopia	6
2. The partnership framework	7
2.1 Austria's cooperation objectives in an EU context.....	7
2.2 PASDEP, Ethiopia's national development strategy.....	7
2.3 Viability of current policies and medium-term challenges.....	8
2.4 Trends and issues in donor support	9
2.5 Flexible responses to a developing democratic process.....	9
2.6 Environmental dilemmas and population growth	10
3. Response strategy 2008–2012	11
3.1 Strategic considerations for Austria's support	11
3.2 Fighting poverty and vulnerability: Austria's contribution.....	13
3.3 Budget scenario	15
3.4 Focal areas	15
3.4.1 Health sub-programme Somali National Regional State	16
3.4.2 Rural Development and Support to Food Security sub-programme North Gonder Zone (Amhara National Regional State)	21
3.4.3 Support to PBS/DBS	25
3.5 Non-focal areas.....	25
3.5.1 Energy	25
3.5.2 Gender.....	27
3.5.3 Good governance.....	28
3.6 Other financing tools	28
3.6.1 NGO cooperation	28
3.6.2 Humanitarian assistance	29
3.6.3 Mine action programme.....	29
3.6.4 Private sector development.....	29
3.6.5 Programme component higher education, science and research.....	30
3.6.6 Multilateral projects	30
4. Programme implementation	30
4.1 The formal framework	30
4.2 Strategic dialogue and in-country coordination.....	31
4.3 Monitoring and evaluation.....	31
ANNEX	33
1. Sequence of objectives by logical framework analysis.....	33
2. M&E Matrix.....	37



Acronyms

ACP	African, Caribbean and Pacific
ADC	Austrian Development Cooperation
ADLI	Agricultural Development Led Industrialization
AIDS	Acquired Immune Deficiency Syndrome
ANRS	Amhara National Regional State
AUPG	African Union Partners Group
ARARI	Amhara Regional Agricultural Research Institute
BDU	Bahir Dar University
BoARD	Bureau of Agriculture and Rural Development
BoCT	Bureau of Culture and Tourism
BoFED	Bureau of Finance and Economic Development
BL ET	Budget Line Ethiopia
BMeiA	Bundesministerium für Europäische und Internationale Angelegenheiten
CDM	Cleaner Development Mechanism
CDS	Country Diagnostic Survey
CSA	Central Statistical Authority
CSE	Conservation Strategy of Ethiopia
CSP	Country Strategy Paper
DA	Development Agent
DAG	Development Assistance Group
DBS	Direct Budget Support
DHS	Demographic & Health Survey
DIP	Democratic Institutions Programme
DOT	Directly Observed Treatment Scheme for Tuberculosis
DPs	Development Partners
DPT	Diphtheria, Pertusis & Tetanus
EA	Environmental Assessment
EC	European Commission
EELPA	Ethiopian Electric Light and Power Authority
EFAP	Ethiopian Forestry Action Plan
EPA	Environmental Protection Authority
EPE	Environmental Policy of Ethiopia
EPG	Ethiopian Partners Group
EPLALUA	Environmental Protection Land Administration and Land Use Authority
EEPCo	Ethiopian Electric Power Corporation
EREDPC	Ethiopian Rural Energy Development and Promotion Centre
EU	European Union
FGM	Female Genital Mutilation
FSCO	Food Security Coordination Office
FSS	Food Security Sub Programme
GEEREF	Global Energy Efficiency and Renewable Energy Fund
GDP	Gross Domestic Product
G&D	Gender & Democracy
GM	Gender Mainstreaming
GoE	Government of Ethiopia
HEWs	Health Extension Workers
HF	Health Facility
HHA	Household Health Agent
HLF	High Level Forum



HF	Health Facility
HICES	Household Income, Consumption and Expenditure Survey
HIV	Human Immunodeficiency Virus
HMIS	Health Management Information System
HPF	Health Project Fund
HPP	Hydro Power Plants
HRD	Human Resource Development
HSDP	Health Sector Development Programme
HTP	Harmful Traditional Practice
IEC	Information, Education and Communication
ILDP	Integrated Livestock Development Programme
IMR	Infant Mortality Rate
JRIS	Joint Review and Implementation Support
LRRD	Linking Relief, Rehabilitation and Development
MCP	Management Contract Programme
MDGs	Millennium Development Goals
M&E	Monitoring & Evaluation
MoFED	Ministry of Finance and Economic Development
MoH	Ministry of Health
MOLD	Market Oriented Livestock Development
NAPA	National Adaptation Action Plan
NGO	Non Governmental Organization
NGZ	North Gonder Zone
OECD/DAC	OECD/Development Assistance Committee
PaDPA	Park Development and Protection Authority
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
PBS	Protection of Basic Services
PCU	Programme Coordination Unit
PFM	Public Financial Management
PHC	Primary Health Care
PHEWs	Pastoralist Health Extension Workers
PHSEP	Pastoralist Health Service Extension Programme
POA	Plan of Action
PSCAP	Public Sector Capacity Building Programme
PSNP	Productive Safety Net Programme
REEEP	Renewable Energy and Energy Efficiency Partnership
RHB	Regional Health Bureau
PM	Programme Manager
RDSFS	Rural Development and Support to Food Security
SC	Steering Committee
SLM	Sustainable Land Management
SMNP-IDP	Simen Mountains National Park Integrated Development Project
SDPRP	Sustainable Development and Poverty Reduction Programme
SNRS	Somali National Regional State
SRHB	Somali Regional Health Bureau
SPM	Strategic Planning and Management
SRMP-NG	Sustainable Resource Management Programme in North Gonder
SWC	Soil and Water Conservation
SWG	Sector Working Groups
TWG	Technical Working Group
UEAP	Universal Electrification Access Programme
WHO	Woreda Health Office
WTWG	Water Technical Working Group



Summary

The development challenge facing Ethiopia is immense. Its people are among the poorest in the world, the economy is growing too slowly, and population growth is alarmingly rapid. Over the past decade Ethiopia has made significant progress in a number of domains. The economy recovered strongly following a severe drought in 2002/03, yet overall performance remains sluggish, even in the more dynamic urban sectors. While performing better than agriculture, the secondary and tertiary sectors' contribution to total growth was only 60%, well under the African average of around 80%. Structural transformation has been slow; both in terms of the rural-traditional to modern-urban society and of the transition from a socialist economy to a market-based one. Agriculture has not proved to be a dynamic source for rural job creation; its low productivity is associated with persistent poverty in rural areas and the growing attractiveness of towns and cities.

Three broadly inter-related questions need to be discussed in assessing whether a “big push” on development makes sense. The first is to what extent the content and design of policies should be modified in the light of Ethiopian experience over the last 15 years; the second is how the government can credibly show it is committed to policies which embrace society as a whole in the process of development. The third question revolves round the issue of sustainability. Can short-term gains be translated into long-term development? The massive scaling-up of international assistance required for a “big push” on development in Ethiopia must be accompanied by dialogue and debate around these three questions outlined above and should be linked to substantive progress.

Austria opened its development cooperation coordination office in Ethiopia in 1996. The period since then has offered a strong learning experience, which has been fed into the analysis and assessment in preparing the current country programme 2008-2012. One major lesson learnt is to concentrate assistance on fewer sectors and to focus on certain regions, in line with the aid reform agenda and as part of the European Union (EU) code of conduct. Given its limited resources, Austria has refined its focal areas from four to two sectors (sub-programmes). Continuing a development strategy which emerged during the first country programme, contributions will increasingly be made at programme level in government-promoted sector development programmes.

The overall goal of Austrian bilateral development cooperation from 2008–2012 will be a contribution for sustained development to reduce poverty in Ethiopia whose focal areas are the **Health sub-programme focussing on the Somali National Regional State (SNRS)**, the **Rural Development and Support to Food Security sub-programme focussing on the Amhara National Regional State (ANRS)** and **Support for the Protection of Basic Services (PBS)**. Non-focal areas like energy, gender equality and good governance, are designed to complement the two sub-programmes. NGO co-financing, private sector development, education programmes, humanitarian support and multilateral projects will be used to add value to the interventions of ADC in Ethiopia. Both sub-programmes are compatible with the Ethiopian Plan for Accelerated and Sustained Development to End Poverty (PASDEP) and Austrian guiding principles like poverty reduction, gender equality, environmental protection and human security. The decision to focus on these sub-programmes is reinforced by very strong ownership and support demonstrated by the respective regional governments.

The aim is to reaffirm a long-lasting partnership between Austria and the Amhara and Somali regional states which will create, broaden and consolidate development

activities in line with local, regional and national priorities. This in turn will allow Austria – even as a small donor – to have a higher profile and to become a real partner in the two regions. Complementing these sub-programmes, Austria's support for the PBS will provide recognition at a higher level.

Austria will scale up its assistance during the period of this country programme, budgeting sufficient new resources for the Health sub-programme (€5.2 million) and the Rural Development and Support to Food Security sub-programme (€8.2 million) to enable them to leave a visible impact in North Gonder Zone (NGZ) as well as the target woredas in the Somali region. Other so-far-uncommitted funds amounting to €11.5 million over the next five years will be used for the PBS, while €3 million will be committed to rural electrification (grid extension) in NGZ.



1. Development strategy choices for Ethiopia

Ethiopia's long history of autocratic rule, followed by almost two decades of military rule under the Derg, resulted in profound human deprivation, presenting one of world's deepest development deficits. By contrast, the past 15 years has been a period of relative stability with significant expansion in infrastructure, schooling, health and other services from an extraordinary low base. Nevertheless, productivity growth has remained low and has been particularly disappointing in the agricultural sector, which is central to government policy.

Three broadly-interrelated questions must be answered: The first is to what extent the content and design of policies need modification in the light of the past 15 years' experience. While some changes are spelt out in PASDEP, modification does appear necessary, especially to the Agricultural Development Led Industrialization (ADLI) strategy. Special assistance is necessary for supply chains in areas of major economic opportunity. There should be more effective coordination across technology, inputs and markets, with risk-management and protection policies integrated into a growth-oriented policy mix.

Perceptions of land insecurity are a deterrent to investment and the sustainable use of natural resources. Current initiatives, seeking to provide longer-term security but falling short of full transferability, appear to represent a good balance at this stage. Results from the first years of implementation in the Amhara region should be evaluated and made available for adoption across the whole country. It is also important to help adjust government positions from a top-down approach to an adaptive and responsive attitude whose understanding of local knowledge and practice encourages greater accountability and effectiveness.

The second major question is how the government can credibly demonstrate a commitment to policies that will encourage society as a whole to back the process of development. While it places the private sector closer to the centre of development policy than before, PASDEP does not yet include policy proposals which, by assuring a level playing field, permit the private sector to play its true role.

The third question revolves around the issue of sustainability. Can short-term development gains be translated into sustainable development? Will development policies be implemented by means of a more sustainable use of natural and human resources? Improvement of the living conditions of small-scale farmers in the highland areas will depend on halting the very worrying deprivation of natural resources. Recent advances in floriculture, for example, have to be set against the background of a threatened environment due to unchecked exploitation of scarce water resources in the central rift valley. Unprecedented staff turnover rates at all levels of the government administration, and particularly at woreda level, are caused by frequent, politically-motivated restructuring of public services. New gains on the development front only make sense when existing infrastructure and its systems are maintained and consolidated.



2. The partnership framework

2.1 Austria's cooperation objectives in an EU context

While the treaty establishing the European Union and the African, Caribbean and Pacific – European Union (ACP-EU) Partnership Agreement provides the legal basis for European Commission (EC) cooperation with ACP countries, the recently-adopted European Consensus on Development sets out the general policy framework at EU level. The primary objective of EU development policy is the eradication of poverty in the context of sustainable development, in line with the international agenda, and with particular attention to the Millennium Development Goals (MDGs). Human rights and good governance – especially in terms of democracy, participation and accountability – and gender equality are acknowledged as other important objectives.

In December 2005 the European Council agreed on an EU Strategy for Africa. The strategy provides a long-term framework for interaction between Europe and Africa and rests on three concepts: i) promoting peace, security and good governance as central prerequisites for sustainable development, ii) supporting regional integration, trade and interconnectivity to promote economic development; and iii) improving access to basic social services (health, education) as well as environmental protection measures.

In recognizing that better aid effectiveness is essential to achieve economic growth and poverty reduction, the Country Strategy Paper (CSP) preparation process has been characterised by coordination, harmonisation and alignment. Its design reflects better donor coordination and strategy harmonisation, helped by the joint preparation of the Country Diagnostic Survey (CDS) in 2006 by staff of the EC and several member states. This provides an entry point for working towards joint multi-annual programming based on the government's own strategy, common implementation mechanisms, joint donor-wide missions, and the use of co-financing arrangements (which may also involve non-EU donors).

The three-year Austrian Development Cooperation Programme 2007–2009 has set out basic aims and principles, which also guide this country programme: poverty reduction, peace and human security, democracy and good governance, environmental protection, ownership/partnership, integration into the socio-cultural environment, gender equality, social and donor coordination.

This country programme is based on the EU-CDS from May 30, 2006 and the EU/EC Joint Response Strategy. Interventions are in line with the Food Security Thematic Programme, Thematic Strategy Paper, the Multi Annual Indicative Programme 2007–2010 of the EC and other EU/EC policies and programmes. Consequently, issues are treated in this chapter only if they refer directly to the Austrian sub-programmes or if a special connotation should be given from an Austrian country perspective.

2.2 PASDEP, Ethiopia's national development strategy

PASDEP is Ethiopia's guiding strategic framework for the five-year period 2006–2011. It carries forward key strategic directions pursued under the first Sustainable Development and Poverty Reduction Programme (SDPRP), but also embodies new directions. Foremost among these is a major focus on economic growth and a scaling-up of efforts to achieve the MDGs. The PASDEP process



benefited from two rounds of consultation with civil society, non-governmental actors and donors.

There is broad agreement among donors that the PASDEP is a well-prepared strategic policy document which outlines the development priorities of Ethiopia for the coming years in a comprehensive way. Equitable economic growth, particularly rural economic development, is seen by all as a prerequisite for poverty reduction; improved productivity and income generation are cornerstones of rural development. PASDEP identifies critical features for such development to take place: policies must be adapted to agro-ecological circumstances and recognise the importance and involvement of the private sector supported by a favourable business environment.

2.3 Viability of current policies and medium-term challenges

The fiscal imbalances which developed during 2006 and 2007 in the macro-economic field must be addressed. Further dialogue is needed on the government's vision for the sources of growth, the role of public investment, the enabling framework for private sector growth and the strategy for financing PASDEP. The imbalance between expanding social sector service delivery and promoting economic and income growth must be rectified because, if service delivery expands further without a parallel rise in productivity and incomes, the ability to maintain and sustain existing infrastructure and the quality of services is put in doubt.

While setting the private sector closer to the centre of the government's development strategy, PASDEP has yet to include those policy proposals which permit the private sector to play its full part. Ethiopia compares unfavourably on most international governance indicators, and in the supply of skilled labour and infrastructure services.

Agricultural marketing, rural services, sustainable land management, land tenure, rural finance and economic diversification, along with the role of the private sector in rural areas, are crucial medium-term policy challenges. So far, the opportunity to embrace watershed development and Sustainable Land Management (SLM) has been missed. SLM could serve as the framework for most interventions in crop and livestock production and natural resource management, combating soil acidity, and improving drainage and irrigation. Other missing elements are agro-forestry, participatory forest management, non-forest products, forest product manufacturing, soil fertility management, agricultural credit, efficient service delivery, community participation and value-chain development. Integrated water resources management should be given higher priority and the dialogue around this issue, particularly for clean water provision, sanitation and irrigation, should be strengthened. There is concern about the feasibility of rapid expansion of electricity generation capacity within the rural electrification programme, and more attention has to be given to biomass/non-electrical energy.

When it comes to the areas of governance, capacity development and decentralisation there are a number of key policy issues to be clarified. They include weakness in the security sector of governance, the conduct and accountability of security services, enhancing the policy framework for justice sector reform, improving democratic processes, changing policy towards civil society, and strengthening policy towards protection of human rights. If left ignored, these could threaten the government's ability to achieve PASDEP objectives. The national action plan for gender is still badly integrated into PASDEP, whose gender priorities are not apparent in the sector programmes. Clear targets on gender equality and women's empowerment have yet to be defined. Progress reports should be reviewed from a gender perspective as a means of holding sector performance to account.

2.4 Trends and issues in donor support

Donor support for Ethiopia increased from US\$ 600–700 million in the late 1990s to US\$ 1,823 billion in 2004 – a rise over 250% – while the share of programme financing in total aid disbursements rose from 21% in 2002/03 to 46% in 2004/2005. This positive development was made possible through partial settling of the conflict with Eritrea and the government response to new aid modalities. Direct Budget Support (DBS), which matured over two rounds of financing, was suspended in 2005 as a consequence of political developments after the general elections. Protection of Basic Services (PBS) was launched to prevent the government having to make cuts in pro-poor expenditure. It provides appropriate funding, especially at woreda level.

In the coming years donors face a big challenge about when and how to resume DBS. Without close coordination there is a serious risk that some donors may want to proceed again with DBS, while others do not consider the time ripe. A crucial question with the resumption of DBS is the need to re-balance the policy dialogue with government. As ownership is the key, donor commitments and disbursements should depend on content and implementation of government's own governance-strengthening programme.

Donors are well aware of problems of absorption capacity in the woredas as well as the special issues of chronic food insecurity and the threat of famine, family planning, private sector development, gender and environment. The question is how to continue to communicate these problems to sometimes defensive government authorities: a partial solution could come via inclusion of government representatives in the Technical Working Groups (TWG)s and lobbying with well-informed engagement and evidence-based arguments to allow permanent dialogue on process as well as policy issues at all levels.

2.5 Flexible responses to a developing democratic process

The period since 1996, when Austria opened its development cooperation coordination office in Ethiopia, has provided a strong learning experience. Thorough analyses of this experience have gone into the preparation of the country programme 2008–2012.

The government of Ethiopia presents a very well-articulated rationale of its political and developmental programmes. Experience has shown that crude leverage does not work, and that well-informed engagement and evidence-based arguments are the best ways to influence future policy. Donors should also acquire a greater understanding of Ethiopian civil society and how to unleash its resources and comparative advantages as partners in development.

The need for capacity development in the woredas, the special issues of chronic food insecurity and the threat of famine, family planning, private sector development, good governance and gender and environment are major objectives for sustainable poverty reduction and should be addressed explicitly with concrete measures.

Political events after the 2005 general elections demonstrated that even DBS has its uncertainties and is vulnerable to political events. The government has learned that instead of putting all its eggs in one basket a sound mix of different financing tools is the best insurance against these types of shock. Donors have learned that contingency plans are needed to create new instruments under intense time and political pressures.

Donor harmonisation has reduced the transaction costs for the government but, because of a complex and overburdened coordination system, transaction costs between donors have risen sharply. A change of philosophy is needed to streamline donor coordination in Addis Ababa, permitting staff to travel far more often to the



regions, particularly deep into rural areas, to see what is happening on the ground with their own eyes so that they are able to set new ideas and approaches against the realities of life there.

2.6 Environmental dilemmas and population growth

Environmental degradation in dynamically interlinked highland-lowland systems remains the most critical and far-ranging issue affecting people, livestock, wildlife and vegetation. Problems like deforestation, soil erosion, the silting up both of natural lakes and reservoirs constructed for irrigation and hydropower generation, devastation of valley bottom infrastructure and the flooding of valley bottoms are directly related to it. Severe shortages of wood have led to a dramatic overuse of dung and crop residues as fuel rather than being fed back into the soil to improve fertility. The forecast effects of climate change – entailing rising temperatures, increased rainfall variability and intensity coupled with the higher probability of drought – will exacerbate the environmental and economic vulnerability of the country.

Besides increasing pollution of rivers and lakes through unchecked industrialisation and urbanisation, the issue of air pollution and solid waste management in towns has become a serious problem over the last 20 years, especially in Addis Ababa.

Another area of concern is the threat to the country's biodiversity. Ethiopia is a centre of origin and so-called secondary diversity hot-spot for many food and industrial plants. Unlike most other centres of origin countries, which freeze germ plasma in cold-stores, crop biodiversity in Ethiopia is conserved in-situ by traditional, small-scale farming practices. This unique system is now under great threat from drought and modern agriculture.

Land tenure security is one of the most important issues in this context. Current regulations do not permit individual land ownership – hardly favourable to ecologically responsible land management in a long-term perspective. Federal Percolations 455 issued for compensation, and 456, issued for rural land administration, must be assessed against this background to decide whether they are in fact contributing to environmental conservation.

The government has taken a number of steps to benefit conservation and pro-poor growth. Many environment-related strategies or action plans have been drafted, including those on biodiversity and desertification in the context of the respective UN conventions. Most recently, work on a National Adaptation Action Plan (NAPA) factoring in the effects of climate change has started. In 1995 the Environmental Protection Authority (EPA) was set up. Among others, the EPA is responsible for the development and implementation of environmental policies as well as for environmental assessment (EA).

The implementation of such strategies and programmes is characterised by significant gaps between policy and the limited participation of those working on the land. A typical example is the Ethiopian Forestry Action Programme (EFAP). The preparation of this programme has consumed a lot of time and resources, but implementation has yet to gain any momentum.

Austrian support takes these challenges fully into account. All cooperation will be in line with national environmental policies, action plans and legal provisions. Particular emphasis will be given to participatory approaches which involve local stakeholders. Investment in environmental functions and services is considered essential to improve people's overall livelihoods. ADC further recognises the importance of environmental research to enable authorities to make informed decisions.



Ethiopia's population is growing at a rate of about two million people each year, which puts a tremendous strain on the country's resource base and has obvious implications for the economy and the state's ability to deliver services. A significant expansion is required each year just to keep service coverage and per capita income levels the same. In rural communities high population growth, slow rural-urban transition and limited employment opportunities outside farming have continued to put pressure on finite land resources. Population growth has a direct impact on sustainable use of natural resources, and is effectively locking many into a poverty trap.

3. Response strategy 2008–2012

3.1 Strategic considerations for Austria's support

This Austrian Country Programme 2008–2012 for Ethiopia is the fourth country programme for Ethiopia defining the cooperation between the two countries. Its goal is consolidation and continuation of the already well-established cooperation with Ethiopia by concentrating on the sub-programmes and improving coverage, as well as quality through focusing on results. One major lesson learnt is to concentrate assistance on fewer sectors and to focus on certain regions, in line with the aid reform agenda and also as part of the EU code of conduct. Austria has therefore refined its focal areas from four to two sectors (sub-programmes).

It had also become clear that, based on an assessment of achievements as well as possible failures, a thorough revision of the sub-programmes to adjust to the ever-changing situation on the ground was overdue. The expertise, trust and human relationships amassed over the last ten years are a valuable asset. The aim is to build on that and reaffirm a long-lasting partnership between Austria and the Amhara and Somali regional states, which will create, broaden and consolidate development activities in line with local and national priorities. This, in turn, will allow Austria – even as a small donor – to have a higher profile and become a real partner in these two regions.

Health: Interventions throughout the last ten years in the SNRS have been troubled by sustainability issues. Austria is the only bilateral partner assisting the SNRS to build up a basic healthcare system. Considering the enormous challenges in the Somali region, timeframes for any intervention should be at least in the range of the national health development programme (20 years). There is a well-defined programmatic link to PASDEP and ADC priorities like poverty reduction, security and gender equality. A new, consolidated five-year financing programme with the Somali Regional Health Bureau (SRHB) is already being implemented and will reaffirm Austria's name and role in the SNRS. It seeks to create a close linkage between the SRHB and implementation at woreda level. This financing programme consists of a combination of appropriately-designed, low-cost, woreda-based interventions along with a broad approach on human resource development by supporting training institutions as well as the pastoralist health extension programme. Strengthening capacity, weak or non-existent at woreda level, should also guarantee improved sustainability.

Rural Development and Support to Food Security: Responding to evaluation results of the previous food security projects, this sub-programme will have a wider remit around sustainable resource management and will also help consolidate previous achievements. It will also support scaling-up from the best practices of the Food Security sub-Programme (FSS). As a consequence, the name of the sub-programme will be changed to Rural Development and Support to Food Security (RDSFS). Interventions throughout the last ten years in NGZ were very successful



but need consolidation. Austria has been asked by the ANRS to scale-up its funding activities in NGZ. There is a well-defined programmatic link to PASDEP and to thematic priorities of ADC like poverty reduction, environment and gender equality. A new consolidated five-year financing programme with the Bureau of Finance and Economic Development (BoFED) is under implementation. It will make Austria a real partner in the ANRS and NGZ respectively.

Support to PBS/DBS: Complementary to the Health sub-programme and the Rural Development and Support to Food Security sub-programme but on a higher level, Austria's support for the delivery of basic services should enable the poor to break out of long-term poverty traps. It should also strengthen the decentralisation process to ensure that resources match the priorities of the poor in an equitable, transparent, and accountable manner.

Non-focal areas: We do not propose to treat energy, gender or good governance as focal areas (sub-programmes) any more. Ethiopia's energy policy, as set out in PASDEP, does not yet include major energy sources like biomass. Additionally, decentralised rural electrification systems (e.g. mini hydropower, photovoltaic systems) get no mention. The energy sector is uncoordinated and is a long way from having a programme in line with a sector-wide approach. Austrian support during the last country programme was not very successful in terms of implementation. Biomass can be pursued within the framework of the financing programme for NGZ. New activities like rural electrification in NGZ, equally supported by Ethiopian Electric Power Corporation EEPCo but managed within the "Universal Electricity Access Programme" (UEAP) will be undertaken in the non-focal areas. With gender as well as good governance, fewer, well-defined projects will be financed.

Gender mainstreaming is integrated in all ADC's interventions as a tool for projects and programme funding. Particular attention is also paid to environmental sustainability. According to ADC policy all project and programme interventions are screened for potential linkages and impacts on natural resources and environmental services¹, including concerning climate change. In line with the Paris Declaration on Aid Effectiveness, ADC makes an effort to cooperate and coordinate with donors and development partners, considering the relevant national regulations. While the proposed Health sub-programme focusing on institutional and capacity development support has no explicit environmental significance, and the projects in the gender and good governance non-focal areas are rarely applicable to natural resources, activities in the area of energy and the RDSFS sub-programme strongly involve environmental issues. Here, the timely examination of projects is particularly important. To this end, expertise on environment and natural resources at project development and programme management level are permanently involved.

Continuing a practice begun during the first country programme, contributions will be made as far as possible at programme level in government-promoted sector development programmes, provided that the corresponding environment is favourable to the allocation of programme grants. Both main financing programmes for the two sub-programmes are implemented by government offices; the financing channels are channel 1 for the "Sustainable Resource Management Programme in North Gonder (SRMP-NG)" and channel 2 for the "Support to the implementation of the Health Sector Development Programme in the SNRS"². The decision to opt for channel 2 for the Somali region is a reflection of Austria's long experience and realistic approach to the situation in this region.

¹ Standardised procedures are in place depending on mode and tool of financing and following the EU environmental integration handbook.

² Financing channel 1 transfers funds to the relevant financial authorities (e.g. regional bureau of finance), whereas channel 2 transfers funds directly to line offices (e.g. regional bureau of health).



Austria will scale up its assistance during the period of this country programme, providing sufficient resources for the Health (€5.2 million) and the RDSFS sub-programme (€8.2 million) so that they have a visible impact in NGZ as well as the target woredas in the Somali region. Other so-far-uncommitted funds of €11.5 million for the next five years will be used for PBS (or if situation allows it DBS) depending on negotiations with MoFED, while €3 million will be committed for a rural electrification (grid extension) programme in NGZ.

3.2 Fighting poverty and vulnerability: Austria's contribution

Commitment to poverty reduction and its ultimate eradication in all its dimensions is a prerequisite of progress. Ethiopia is desperately poor, and poverty is fairly evenly spread. According to PASDEP the poverty head count, the poverty gap and the poverty severity index all declined substantially between 1999/2000 and 2004/2005, due to a big drop in rural poverty. Yet poverty persists in Ethiopia, given the fact that 81% of the population still live below the poverty line of US\$ 2 per day. Equally, the number of chronically food-insecure people requiring assistance was still on the rise, from 7.2 million in 2005 to an estimated 9.8 million in 2006.

The stated decline in poverty in rural areas is obviously a result of the implementation of pro-poor programmes and investment in pro-poor sectors. These figures should be treated with caution since they reflect short-term trends. Ethiopia's long-term growth performance over the past 40 years has been anything but favourable. Leading pro-poor programmes like the Productive Safety Net Programme (PSNP) show alarming signs of being unsustainable and need substantial, even increased support due to rising vulnerability; and pro-poor investment in the districts suffers from severe capacity constraints at lower levels of governance. It is now crucial for the government to encourage its population to join in decision-making processes embracing local priorities as well as balancing social and regional disparities. There must also be a parallel poverty-oriented response strategy from the side of the donors.

Gradual gains in gender equality have taken place but cultural habits still very much define what women can and cannot do, especially in rural areas. The extent to which gender prejudice is deep-rooted is characterised in the widespread acceptance by women themselves of violence against them. Women have limited access to resources, services and an inability to claim their rights. The continuing prevalence of harmful traditional practices such as female genital mutilation (FGM), early marriage and marriage by abduction significantly impacts on the vulnerability of women and girls.

The exclusion of Ethiopia's 11 million pastoralists from policy development issues has led to an erosion of their traditional, social, economic and political systems and resulted in problems of efficient service delivery addressing their needs and priorities.

Poverty figures – obtained through household surveys, participatory poverty assessments and so on – are available at the macro level. They provide an overview of poverty in all its dimensions and the differences between urban and rural areas, as well as recent trends. But much less information is available on social and regional disparities.

Being mainly engaged in two regions, ADC will not be able to contribute much to the build up of data and information systems at national level, but will assist the respective authorities in the regions with collection, analysis and utilisation of relevant data, especially with respect to its sectoral priorities. Support in data compilation and management is required for setting strategic goals addressing the needs and priorities of the poor, and is critical for effective measurement of results.



The **Somali** region is characterised by a high number of pastoralists and agro-pastoralists (about 84% of the population), globally marginalised due to their nomadic lifestyle but also the lack of attention in public service delivery areas such as education or health. Apart from a poorly-developed basic infrastructure, insufficient resources and capacity gaps resulting in a low coverage of public services and consequently high levels of illiteracy, sickness and mortality, the population is also affected by higher levels of vulnerability (living at a subsistence level) and is prone to risks (such as droughts).

Although the overall picture of the **Somali** region is generally worrying – being one of the most marginalised regions in Ethiopia with low socio-economic conditions, frequent food insecurity and onset of epidemics – the health status of the population offers the worst scenario. While ultimately aiming to improve the health situation of the population in eight woredas, with special emphasis on women and pastoralist groups, comprehensive support for the strengthening of the capacities of public services in order to enable efficient and quality service delivery will be provided by ADC. By ensuring availability of and equal access to health services, people are also empowered to participate actively in social and economic activities, as well as in decision-making processes relevant to their daily life. In these ways, ADC contributes to satisfying basic human needs, articulating political interests as well as protecting the vulnerable by giving due consideration of socio-cultural factors.

As in other parts of the country, the **Amhara** region is characterised by dependency on agriculture and livestock production, with people mostly living at subsistence level. High rates of population growth, overexploitation of natural resources and low land productivity create a vicious circle, resulting in less and less favourable development perspectives and worsening socio-economic conditions. Moreover, lack of basic infrastructure, insufficient capacities and resources as well as deficiencies in delivering social and economic services and lack of consideration for people's demands and interests in the decision-making process, complement the worrying picture.

While the ultimate aim is to improve living conditions in most of the woredas of NGZ, a comprehensive response strategy has to address the complex and interlinked problems in the region, focusing on different actors and a broad range of measures. Strengthening social and economic capabilities through improved access to information, agricultural and livestock production, as well as through marketing and creating alternative means of income such as tourism, is central. Environmental sustainability, as well as social equality (i.e. in terms of access to natural resources such as land), will also be addressed, with a special focus on women, aiming to reduce vulnerability and food insecurity. This will be complemented by strengthening the human resources of local actors and authorities and ensuring political representation and articulation of communities' priorities and interests.



3.3 Budget scenario

The following funds, subject to budgetary provisions, have been earmarked as indicative figures for the programme:

	Budget Line ET	Co-financing	Private sector development	Humanitarian aid	Education programme	Multilateral programmes	Total € million
2008	4.00	0.70	0.50	0.35	0.50	0.50	6.55
2009	5.00	0.70	0.50	0.35	0.50	0.50	7.55
2010	6.00	0.70	0.50	0.35	0.50	0.50	8.55
2011	7.00	0.70	0.50	0.35	0.50	0.50	9.55
2012	8.00	0.70	0.50	0.35	0.50	0.50	10.55
Total 2008–2012	30.00	3.50	2.50	1.75	2.50	2.50	42.75

The country programme will be financed through grants. For the bilateral Budget Line Ethiopia (BL ET) of this country programme, a scaling-up scenario of yearly increases by €1 million for the coming years is foreseen. Out of the BL ET of €30 million, €28.5 million is defined as indicative core programme linked to MoFED and the Ethiopian budget (only gender and good governance activities implemented by NGOs are excluded). Expenses anticipated for all the different activities outside the BL ET are based on actual figures from the previous country programme (2004–2006) with certain projections for the time period of the future country programme and will be covered by separate ADC funding tools. They are not part of the negotiation process with MoFED but are shown here to give a picture about the forecast overall assistance of ADC to Ethiopia.

Tentative allocation of resources of the Budget Line ET

	Description	Allocation (in million €)	% of the grant
Focal areas	Rural Development and Support to Food Security	8.20	28
	Health	5.20	17
	PBS (DBS)	11.50	38
Non-focal areas	Energy	3.00	10
	Good governance (DIP)	0.60	2
	Gender & Good governance (NGOs)	1.50	5
Total		30.00	100

Besides providing sufficient resources for the Health (€5.2 million) and the Rural Development and Support to Food Security sub-programme (€8.2 million) a substantial part of the resources (€11.5 million) will be committed to PBS (or if the situation allows it to DBS) depending on negotiations with MoFED. €3 million will be allocated for a rural electrification (grid extension) programme in NGZ, equally supported by EEPCo but managed within the UEAP. This proposal will be linked to the Austrian Rural Development and Support to Food Security sub-programme.

3.4 Focal areas

The overall goal of Austrian bilateral development cooperation from 2008–2012 will be a contribution for sustained development to reduce poverty in Ethiopia, whose focal areas will be the **Health sub-programme** and the **Rural Development and Support to Food Security sub-programme**. Complementary to the sub-programmes which inject financial means in the form of specific purpose grants, new uncommitted funds will be used for the support of PBS (or if situation allows it to



DBS) to strengthen the financing of block grants for basic services provided through the government.

Non-focal areas like energy and gender & good governance as well as other financing tools like NGO co-financing, private sector development, education programmes, humanitarian support and multilateral projects are designed to provide complementary support to the sub-programmes.

Both sub-programmes are compatible with PASDEP and Austria's guiding principles like poverty reduction, gender equality, environment and human security. The reasoning behind the decision to continue to focus on these two sub-programmes is underwritten by very strong regional ownership support from the regional governments. The philosophy is that of a lasting partnership between Austria and the Amhara and Somali regional states to create, broaden and consolidate development priorities. This in turn allows Austria, even as a small donor, to have a higher profile and to become a real partner in the two regions.

3.4.1 Health sub-programme Somali National Regional State

The Health sub-programme is based on the Health Sector Development Programme (HSDP) of the government, a 20-year strategic plan that lays the groundwork for far-reaching enhancement of the health system in Ethiopia. It is closely connected to and part of the Regional Health Bureau-Strategic Planning and Management (SRHB-SPM), which is prepared for a five-year span in line with PASDEP and the HSDP III. Activities are geared towards the SRHB-SPM objectives and targets and contribute to attaining the MDGs relevant to the sector. The Health sub-programme capitalises on the implementation of HSDP III based on the SPM and assumes consolidation of ADC support interventions both at regional and woreda level. Complementary activities in six of the target woredas are aggregated and revised, based on the results of this sub-programme.

Decentralisation as endorsed by the government entitles the woredas to take the lead in decision-making for efficient use of resources, which in turn encourages ownership of development programmes and projects. However, in SNRS, progress has been hampered by the weak implementation capacity of most woredas in terms of managerial and technical skills, financial and logistic constraints, limited construction capacity and protracted bureaucratic procedures coupled with the late start of the process. Ensuring the sustainability of healthcare services requires a close linkage between the SRHB and external agencies working at woreda level.

Lessons learnt: Under past country programmes, ADC has made contributions to the development and strengthening of the healthcare system in SNRS by focusing on primary healthcare based on the government's health sector policy. The main achievements of the past programmes are provision of quality health services, increased immunisation reach, launching and institutionalisation of an effective tuberculosis programme at a regional level, and attitude/behavioural changes about harmful traditional practices, particularly FGM. The two basic implementation strategies (national execution through the SRHB and implementation through external agencies) developed during Austrian support to HSDP I and II. Although evidence suggests they successfully provided basic healthcare services, they were not without major limitations. Experience showed that programmes implemented through external collaborators (partner-NGOs) lacked sustainability, and were not closely enough linked to other ADC or additional donor supported health projects in the areas. Their contribution towards building a viable and sustainable health system at woreda level was very limited.

The overall goal of the sub-programme is to contribute to the improved health of SNRS inhabitants by broadening and reinforcing health-service coverage and quality. The target beneficiaries are eight woredas (Jijiga, Awbare, Gode, Kelafo



Adadle, Mustahil, Dolo Addo, Filtu) of which six (Gode, Kelafo Adadle, Mustahil, Dolo Addo, Filtu) are supported by ADC complementary strategies.

Methodology: The sub-programme takes into account the different hierarchies of the health system. At the national level, support is given to the HSDP's key processes and to linking national with regional efforts in developing the pastoralist health extension programme in Somali region. However, the main focus is at Somali regional and woreda health office level. This way, the sub-programme helps implement the regional Strategic Planning and Monitoring (SPM). The methodology adopted is based on a strong partnership among the different actors across all ADC interventions in the region with linkage and coordination of ADC complementary activities.

A combination of appropriately-designed, low-cost, woreda-based interventions characterises the approach, along with a broad understanding of human resource development involving training institutions and the pastoralist health extension programme. These methodologies have been adopted in the context of the existing situation in the region, the regional SPM and as a response to the WHO's request for continued assistance in capacity development and decentralisation. The proposed approach supports current decentralisation processes by ensuring that quality and effectiveness of health service provision is not compromised by administrative change. Most of the sub-programme activities are focused at woreda level. The method of working with the WHO (the partnership arrangement) has been revised for current ADC complementary activities to ensure sustainability, allow proper phasing out and maximise the impact of limited inputs by an international NGO.

Stakeholders: All ADC programmes work in strong collaboration with national, regional and local government authorities. This long-standing partnership with the regional health bureaus has a significant effect on the smooth implementation of the current sub-programme. A Programme Steering Committee at regional level is formed to coordinate stakeholder involvement at all stages of the support programme management. The committee reviews predicted activities, outputs, outcomes and impacts, verifying and monitoring the roles, duties and responsibilities of each actor.

The backbone of the sub-programme is a financing programme entitled "Support to the implementation of the Health Sector Development Programme in the Somali National Regional State" disbursed over a period of five years and seven months in two phases. The first two years and seven months of the programme (June 1, 2007 to December 31, 2009), is regarded as phase one and focuses on formation of functional woreda health offices, building up and strengthening their capacities for smooth handing over of complementary activities. The total budget provision for this period (excluding budget allocated under complementary activities) is €1 million. During the following three years (January 1, 2010 to December 31, 2012), the programme will focus on consolidation. The total budget foreseen for this phase is €2 million. Phase 1 is backed up by complementary activities undertaken by NGOs in six (Gode, Kelafo, Adadle, Mustahil, Dolo Addo, Filtu) of the eight programme woredas and will be phased out at the latest by December 31, 2009.

Support measures: The Health Service Extension Programme has been modified to provide appropriate delivery strategy mechanisms for pastoralists whose nomadic life style raises all sorts of challenges to the authorities. The previous phase (HSDP II) considered from the outset that the existing health service strategies were neither appropriate nor adequate for the nomadic population: Yet, no significant progress was made towards offering an alternative healthcare service delivery approach for pastoralist communities. Some attempts, such as mobile health services, failed due to their cost implications. In a nutshell, it is difficult to conclude



that the majority of the communities have so far benefited from the different health programmes in the region.

So HSDP III has rather tried to treat healthcare service for the pastoralist community as a strategic issue, with health service extension programme-training packages recently tailored to the Somali region. Yet the role of those pastoralist health extension workers presently under training has still to be fully defined. At the same time, the Ministry of Health's special support unit to emerging regions (including Somali) plans to carry out a situation assessment and develop workable guidelines for pastoralist health extension workers. The support extends at regional level to intensify training and deployment under the pastoralist health extension programme. For this special support a total of €1 million is allocated under the current country programme.

Alongside the regionally-focused and project-based approach of the current country programme and as part of the harmonisation and alignment exercise for aid effectiveness, Austria, together with other donors, is supporting the Health Project Fund (HPF). The HPF is part of HSDP's wider pooled funding scheme and contributes to fulfilling the goals of the HSDP by supporting its implementation process through flexible, time-sensitive and less cumbersome funding mechanisms, in line with the Harmonisation Action Plan of HSDP-III.

Financing modality: The main Austrian support for implementation of HSDP in Somali region has been through **financing channel 2**, i.e. disbursing directly to the SRHB using a separate bank account. The current sub-programme again follows the same funding modality. Though some improvements have taken place at regional BoFED, delays in fund disbursement were among the critical constraints in the implementation of HSDP II. This was clearly stated in the evaluation report of the regional HSDP II. Somali region is also one of the regions which are either at the earlier stage of investment in Public Financial Management (PFM) or have not yet started on their plan and therefore demonstrate less progress in PFM improvement.³ Given the current situation and for proper implementation of the programme, the SRHB has requested ADC to maintain the existing fund disbursement mechanism. A change of the funding mechanism to financing channel 1 was not thought feasible. However, ADC will track the changes and assess the different options for the future.

Management: The head of the SRHB will be responsible for overseeing **the overall implementation of the financing programme as well as the complementary activities**. During the different cycles of the programme, the SRHB as central coordinating body ensures the participation of all partners. A detailed implementation work-plan spelling out the roles and responsibilities of the different actors was prepared at the start and will be reviewed annually. A steering committee has been formed and a chain of information and communication between the steering committee and the implementers established. While different departments provide the required technical support for implementation, the planning and programming department is responsible for overall coordination. The SRHB assigns a focal person from the planning and programming department, whose role is to ensure linkage, harmonisation and alignment.

³ Project appraisal document on a proposed grant to the Federal Democratic of Ethiopia for protection of basic services May 2, 2006 PP 73



Sustainability: Because there is no healthcare financing policy to hand, and given the low purchasing power of the local community, it will be difficult to introduce users' fees and community financing schemes to develop an appropriate participatory, economically-sustainable community health strategy. However, in time, by raising the awareness of communities about their healthcare needs and by improving the services available through the public and private sector, it should be possible to increase demand for quality care. Securing community support for the improved availability and accessibility of primary healthcare will underwrite the economic sustainability of programme activities in the long run. However, the only current practical alternative is the continued allocation of funds from the government and other donor agencies. **Sustaining health services in places like the Somali region** requires a long-term commitment. Donors and government need to scale up support to the SRHB through year-on-year resource commitment to fill gaps in existing international aid. It makes sense for ADC to provide long-term support to the SRHB based on the 20-year HSDP, in order to ensure a viable health system on the ground.

Steps to ensure sustainability: Considering the history of involvement in the health sector in the SNRS and its underlying problems the **following new policy measures should ensure increased sustainability:**

- a) A series of HSDP reviews in the region has underlined the worrying fact that staff shortages and high staff attrition rates have hampered the implementation of health programmes. This has impacted particularly severely on the delivery of primary healthcare at district level. To counter this problem, the SRHB has devised a new **human resource development strategy (HRD)**. As part of this regional HRD strategy under the SPM, the SRHB plans to train significant numbers of health professionals, including pastoralist health extension workers. Based on the planning and assessment workshop's recommendation, proper deployment of staff to target woredas in line with an agreed staffing plan is a condition for Austrian support. The commitment of the SRHB towards the proper implementation of the staffing plan is monitored by the donor and the steering committee. Implementation and fund disbursement of the financing programme depends on this precondition being met (timely execution of the staffing plan).
- b) **Consolidating the technical and administrative capacity** of the SRHB and creating an enabling environment at the woreda health offices so that they are ready to assume responsibility for running the complementary activities is crucial. Improving the capacity of the health training colleges and the regional women's affairs bureau as well as mainstreaming cross-cutting issues like gender are important further areas for intervention during the current country programme.
- c) The **criteria for selection of target woredas** include willingness of woredas to discharge their responsibility as required by the financing programme and the presence of other ADC support under complementary projects, which, along with other NGO projects, will create synergies. The proposed linking methodology and formation of health partners at regional and woreda level will help in this regard.
- d) From the outset, the financing programme has ensured that respective communities and government authorities are clear about their roles and responsibilities during and beyond the life of the programme. **Partnership based on informed choice and collective decision-making** is a contributing factor to institutional sustainability. Likewise, forging links between the different healthcare providers will be helped by regular meetings, reviews, technical exchanges and so on. These processes increase the mutual respect and self-reliance of the sectors.



- e) Lessons from previous ADC support programmes in the region urge that a **strong result-based monitoring mechanism be put in place**. This will include a strong regional Steering Committee (SC), an annual planning workshop with the participation of all stakeholders, quarterly review meetings with the implementers, ADC and other relevant stakeholders, periodic field visits by ADC, SRHB and woreda health offices, and regular reporting.
- f) This sub-programme, unlike the preceding ones, focuses on **approaches that match the lifestyle of a pastoralist community**. More emphasis is given to training and deploying pastoralist health extension workers who are members of the pastoralist community. The Pastoralist Health Service Extension Programme (PHSEP) is a new initiative in HSDP-III. It is an innovative, community-based healthcare delivery system aimed at creating a healthy environment as well as encouraging healthy lifestyles. The main objective of PHSEP is to improve access to essential preventative healthcare at community and household levels, with a focus on sustained preventative healthcare and increased health awareness. The sub-programme also works on outreach health services which are less expensive than mobile services, as well as being more appropriate than static services.
- g) **Due emphasis on cost-efficient ways to ensure synergies** of the different initiatives, through linkage and coordination. Mechanisms have been established to link various ADC complementary projects and other interventions. The formation of a health partners' forum and network is one of the mechanisms envisaged under this sub-programme. So long as the real and immediate benefits of networking are demonstrable, SRHB itself has a vested interest in continuing to coordinate it – and can do so with the existing input from health budgets.
- h) **Ensuring active participation of stakeholders** in the different phases of the sub-programme. The overall framework of the sub-programme was designed to involve relevant bodies. A planning and assessment workshop was conducted in January 2007; attendees included the planning department of the SRHB and all relevant professionals from the woredas so that the overall framework was agreed and all stakeholders signed up to implementation issues.
- i) **Phasing out complementary measures:** During the first and second Health sub-programmes 1998–2003 (support to HSDP I), complementary projects under the umbrella of HSDP with **national execution through the SRHB and implementation through external agencies** were established. The practice of working with external agencies was advocated because of SRHB capacity limitations. This set of strategies was also followed during the implementation of sub-programme three (2004–2006, extended to 2007). It proved successful in providing healthcare services at the time but has experienced sustainability problems. The current sub-programme will carefully phase out complementary activities

Gender and health: There are very low numbers of female health workers in the region (due mainly to deep-rooted socio-cultural barriers). Given the multiple benefits to the health system, the SRHB along with the Regional Women's Affairs Bureau, is starting a new programme to train females who have completed secondary education. This initiative will benefit the health system in a number of ways. Unlike male health workers, female health workers have strong ties to their own community, particularly with women and children. Their presence will help bring about remarkable changes in the region's health system delivery. It will particularly boost the mother and child health service provision, so maximum efforts will be made to train midwives. The turnover rate of female health workers is generally much lower than male health workers, so training women will also help to solve the service's sustainability problems.



Monitoring and evaluation: As part of the official government reporting system, the health workers compile and send reports to the respective woreda health offices on a monthly and quarterly basis; the woreda health offices report to the SRHB on a quarterly basis (at the time being in English, but this is expected to be changed to Somali). SRHB submits annual progress reports to the Federal Ministry of Health. The same information, which includes the implementation status of the activities, outputs relative to set indicators, financial status (inputs), problems encountered and measures taken, is sent quarterly and biannually in an adapted format to ADC.

Monitoring and evaluation is a joint responsibility of ADC and SRHB. ADC uses the official government reporting system as outlined above and reviews the performance and results of the sub-programme based on the Monitoring & Evaluation (M&E) matrix outlined in annex 2. These regular (annual) progress reviews between ADC, SRHB and other partners aim to improve the focus and efficiency of the health programme. An independent mid-term review, as well as final evaluation (External, type 1), will be conducted to assess the impact, relevance, sustainability, effectiveness and efficiency of the sub-programme components relative to the benchmarks set. The evaluation team will consist of independent multidisciplinary experts.

The coordination office through the PM and the head of the coordination office will make monitoring visits to the SRHB and target woredas at least every quarter. The quarterly report of the coordination office of ADC to headquarter will reflect the progress status of the implemented programmes and projects.

3.4.2 Rural Development and Support to Food Security sub-programme North Gonder Zone (Amhara National Regional State)

The Rural Development and Support to Food Security sub-programme (RDSFS) will build on the previous Food Security sub-programme (FSS) of ADC and on its different projects implemented during the last ten years in NGZ. Based on an independent evaluation conducted in 2006 and recognised by the regional institutions of ANRS, notably BoFED, these projects have made a significant contribution to improved food security and to the overall livelihood of beneficiaries in NGZ. The new sub-programme will have a wider remit around sustainable resource management and will also help consolidate previous achievements, as well as support scaling-up from the best practices of FSS. An impact study of the rural electrification programme in Bhutan has shown the positive interrelationship between access to energy services and social and economic development in rural areas. GoE has rightly recognised in PASDEP that rural electrification is an essential part of rural development, so a rural electrification component will complement this sub-programme.

Outcomes and lessons learned: With the objective of improving livestock productivity, the Integrated Livestock Development Project (ILDP) has introduced cross-breed dairy cows, improving daily milk production and marketable volume by more than four times. The establishment of cattle fatteners' cooperatives linked to the markets (both local and in the Sudan) has considerably increased the annual income of participating farmers. The major impacts registered under this project include i) gains in productivity and increase in income; ii) wealth creation, asset build-up; iii) improved health for children, who are getting more food of animal origin; iv) improved economic freedom for women who have more disposable income; v) job creation, mainly under cooperatives; and shifts in the farming systems (from free grazing to forage development and stall feeding of livestock); and vi) improvement in planning, implementation and M&E capacity of stakeholders. With regard to the Simen Mountains National Park Integrated Development Project (SMNP-IDP), one of the most important impacts is the significant reduction of human and animal



pressure on the park through involvement of the communities. The project has created a sense of ownership and laid down the foundation for community-led park protection and development. Waliya Ibex numbers have increased and it is now common to see this indigenous species very close to the main road. The project has also provided financial and technical support to help improve the livelihood of people living in and around the park. Introduction of improved seeds, plus horticultural and agro forestry have made them surplus producers and raised their annual income by 200–400%.

The most important lessons learned from these projects include (i) innovation and continuous assessment of approaches and technologies introduced has helped increase efficiency and effectiveness of interventions; (ii) the introduction of full packages such as livestock development which include animal health, forage development and appropriate cross breeds has been instrumental in winning the confidence and continuous involvement of participating farmers. However, it should also be noted that the PCU established with the objective of coordinating the FSS, coordination of donors in NGZ, and donor funding mobilisation has not met its objectives. The major problems have been identified as lack of sufficiently well-trained dedicated experts and in some cases overlapping mandates and responsibilities.

The RDSFS sub-programme's purpose will be to promote sustainable resource management and improved access to rural electrification and other forms of energy contributing to improved living conditions in North Gonder. This will link with the overall goal of the "Rural Development and Food Security" component of PASDEP and Austrian development policies. The key benefit is increased household incomes for target beneficiaries through sustainable resource management, with improved access to rural electrification.

The backbone of the sub-programme will be "Sustainable Resource Management Programme in North Gonder (SRMP-NG)", implemented during the timeframe of the country programme (January 2008 – December 2012). This will comprise terms of three and two years, allowing the programme to adjust financially and institutionally during the second term according to changing environments. The regional authorities have already expressed their keen interest in a longer-term commitment beyond this timeframe, which they feel is a minimum for any meaningful sustainable resource management intervention. The total budget for the five years will be €8.2 million, split up into the following results framework:

Market-oriented Livestock Development (MoLD) will ensure the sustainability and scaling-up of existing achievements via the ILDP, while at the same time introducing new technologies. For the period 2008–2012, it is the intention that most daily routine extension activities will be left to regular government offices. The new plan will concentrate on selected disciplines not particularly well handled during previous phases (mainly due to their nature) which could not be handed over to the regular government structure. Special consideration will be given to link activities with existing/planned interventions of other donors in the area of marketing/processing (GTZ, USAID, UNIDO, etc). Support is also geared towards optimising the livestock extension service through innovation.

Integrated watershed management: The success or failure of introducing sustainable uses for natural resources will decide the whole question of food security or insecurity, and the potential for poverty reduction in the programme area. This is a life or death issue. It is all about an integration of proper land administration and the sustainable use of natural, human and energy resources. Biomass will be included, in line with the recommendations of the previous study on biomass and the ADC guidelines on energy. Once the programme elements are formulated,



- Co-financed projects seek to find synergies or complementarities with the ADC's Country Programme for Ethiopia and the respective Health and RDSFS sub-programmes. These can encompass pilot projects in the relevant sectors, projects within the same sectors but in other geographic regions than that of ADC, or where projects offer an interim solution if ADC is planning an exit strategy.

3.6.2 Humanitarian assistance

The aim of ADC's humanitarian assistance in Ethiopia is to provide emergency aid as well as to preserve the livelihoods of vulnerable and marginalised communities, victims of conflict and natural disasters, by relying as much as possible on the Linking Relief, Rehabilitation and Development (LRRD) approach. Emergency aid will be given in response to disasters as they occur and depending on ADC's available funds for disaster relief.

When it comes to preservation of livelihoods in vulnerable communities, the focus will be put on food security and crisis prevention. The aim of such programmes is to enhance the efforts of local communities to improve food access, food utilisation, and increase productivity as well as to gain experience in disaster management. Food security programmes and projects will be closely linked to the sub-programmes.

3.6.3 Mine action programme

Among the ADC partner countries, Ethiopia is one of the most affected by landmines. The aim of all mine action activities is to combine corrective measures with development programmes as set out in the Country Strategy sub-programmes.

This could involve:

- focussing on the social and economic reintegration of mine victims in the sector of health and human rights of disabled people,
- including mine clearance components while implementing rural development and food security projects.
- carrying out mine-risk education programmes as an integral part of education and school projects (relevant for NGO co-financing projects).

3.6.4 Private sector development

In 2006 ADC created two new cooperation instruments, "business partnerships" (private-private) and "development partnerships" (public-private), which aim to support the cooperation and twinning between Ethiopian and Austrian private companies in the context of private sector development. The Ethiopian population benefits not only from the creation of jobs and increased income but also from know-how transfer. This means that the programme contributes to the strengthening of the local economy and the reduction of poverty at the same time.

Within the framework of ADC's focus areas on i) health as well as ii) rural development and support of food security in Ethiopia several entry points for cooperation with the private sector can be identified. Presently these consist mainly of agribusiness, e.g. the sales of spices and Ethiopian coffee through the creation of linkages to European markets, and the improvement of the leather industry in the north of Ethiopia. Cooperation in the health sector is conceivable. Above all, business opportunities are foreseen in the area of environmental technologies as there appears to be plenty of interest in Ethiopia.

ADC receives more requests for business support from Austrian entrepreneurs for Ethiopia than for any other country. These companies are usually small enterprises



in specialised sectors with interests in education, rural development and technology transfer - for example in setting up geographical information systems. The possibility to reach out to businesses through Calls for proposals represents a promising acquisition method for the future.

3.6.5 Programme component higher education, science and research

The Austrian government has so far had an open policy to scholarships; any qualified individual could apply, though ADC's selection criteria took into account the capacity development programmes of partner institutions in its operational areas. Cross-cutting issues like gender, environment, poverty reduction, and democracy and good governance were also considered, along with educational requirements defined by GoE and support for staff development plans at selected institutions.

In the future a new strategy will aim to create institutional partnerships between universities and research institutions in Austria and Ethiopia as the main programme component; scholarships will remain as a complementary delivery instrument. In addition to universities and research institutions, partner organisations involved in the implementing development programmes can also benefit.

Austrian support for the Consultative Group on International Agricultural Research (CGIAR) also contributes to improving food security, income generation (through increased agricultural productivity and marketing) as well as sustainable resource management and strengthened capacities of national and regional research institutions in Ethiopia. Increasingly, this support is linked to bilateral interventions, especially the RDSFS sub-programme.

3.6.6 Multilateral projects

Austrian policy is to concentrate its efforts further by focussing on fields (i) where partnership has already been explored and efficiently implemented; ii) which are of high relevance within the sectoral and thematic context of the programme and iii) with opportunities for establishing synergies at a regional and local level.

Austria will explore ways and means of cooperating with international partners around future decentralisation and community empowerment programmes as well as health and social protection services, especially when dealing with the Amhara and Somali regions. The main interest is to strengthen local government in its capacity and to improve the livelihood and natural resource base of local communities. Sharing of information and lessons learned, as well as best practice and methodologies will be increasingly used to improve performance, efficiency and managing for development results.

4. Programme implementation

4.1 The formal framework

An agreement on the Austria-Ethiopian Indicative Country Programme 2008–2012 was signed by both parties in February 2008. The Austrian and Ethiopian governments also agreed that specific intergovernmental agreements will be concluded for each project/programme prior to their implementation.

Within this framework the overall coordination of the Country Programme on Ethiopian side is entrusted to the Ministry of Finance and Economic Development (MoFED). The ministry will be responsible for the coordination with other central and regional government bodies involved in the implementation of specific projects and programmes.



On behalf of the government of Austria, the overall management of the Country Programme is entrusted to the Austrian Development Cooperation of the Ministry for European and International Affairs, represented by the Austrian Embassy Development Cooperation Office in Addis Ababa, Ethiopia.

4.2 Strategic dialogue and in-country coordination

To bolster the effectiveness of the national development strategy, the linkage between sector reviews and PASDEP reviews needs to be strengthened. Each sector/ thematic review should map out annual processes and timetables clearly outlining how they feed into PASDEP reviews.

The Development Assistance Group (DAG) is the central donor coordination body, with an extended system of Technical Working Groups (TWGs) and sub working groups. Before 2002 there were only a few TWGs around the DAG, but the system has since proliferated to over 11 TWGs and more than 30 sub working groups. On top of that, there are thematic groups for different government programmes like PBS, the Productive Safety Net Programme (PSNP) and the Public Sector Capacity Building Programme (PSCAP) as well as coordination and sub groups for pooled donor funds. It is self-evident that communication problems flow from the sub groups via the TWGs to the DAG. In short, the system is too complex; too much time is spent on processes and procedures rather than on results and impacts.

The coordination system is largely donor-led. Apart from a few TWGs, interface and dialogue with the government happens mostly on the upper end with the High Level Forum (HLF), the Neway Group (governance) and the Ethiopian Partner Group (ambassador level). A particular case in point has been the protracted and overstaffed quarterly Joint Review and Implementation Support missions (JRIS) around PBS with a plethora of different PBS tests which provide an avalanche of detailed information but not much practical clue about results and impact – or what it all means at woreda level.

Coordination has become an end in itself rather than a means to more effective donor assistance. It is time to ask whether the existing coordination is the proper vehicle for providing effective assistance and for reducing transaction costs in line with the principles of the Paris Declaration. Certain moves for reform are already visible; the quarterly joint missions of JRIS around PBS have become biannual and the Ethiopian government has started to request co-chairing some of the TWGs which have developed into sector working groups (SWGs). The proliferation of TWGs should be halted; new ones should be only created when closing existing ones so that a continuous discussion about their usefulness develops. Austria will become active in the donor coordination framework in lobbying for this principle.

4.3 Monitoring and evaluation

The two governments will regularly follow the implementation of activities. Projects and/or programmes will be jointly evaluated and progress reports discussed.

The philosophy is to rely as much as possible on the official government reporting system. Government offices at woreda level compile and send reports to the bodies (SRHB, PCU) which are responsible for preparing the biannual narrative and financial report to ADC, which in turn reviews the performance and development results of the sub-programme based on the M&E matrix outlined in annex 2. These regular (annual) progress reviews between ADC and the implementing partners aim to improve the focus and efficiency of the sub-programmes. An independent mid-term review, as well as a final evaluation (external, type 1), will be conducted to assess the impact, relevance, sustainability, effectiveness and efficiency of sub-programme components in relation to the benchmarks. The evaluation team will consist of independent multidisciplinary experts.



The coordination office, through the PM and the head of the coordination office, will make monitoring visits to the sub-programmes and its target woredas at least every quarter. The quarterly report of the coordination office of ADC to headquarters will reflect the progress status of the implemented programmes and projects.

In the case of PBS, the Joint Review and Implementation Support (JRIS) missions of PBS will be carried out every six months with government and DPs to review the overall progress of implementation and achievement of programme development objectives. The head of the coordination office will take part in these reviews.

ANNEX

1. Sequence of objectives by logical framework analysis

Overall programme

	Logic of interventions	Objectively verifiable indicators	Sources of verification	Assumptions
Overall goal	Contribution towards sustainable poverty reduction in Ethiopia	Relevant national poverty and health indicators	National/international statistics, household surveys, poverty assessments, welfare monitoring surveys	
Purpose	<p>1. Contribution towards the improvement of the health status of the population in SNRS</p> <p>2. Contribution towards sustainable improvements of rural livelihoods</p>	<p>Maternal Mortality Ratio Child Mortality Rate Infant Mortality Rate HIV Prevalence Rate</p> <p>Poverty status of each strata in the ANRS</p>	Government surveys (MoH, HSDP, DHS, CSA, BoFED, BoARD), donors expert studies, independent reports	<p>The health policy remains unchanged MoFED approves the projects and forwards them for promotion</p> <p>GoE is committed to decentralisation, gender equality and natural resource management</p>
Results	<p>1. Health service coverage and utilisation improved</p> <p>2. The capability of rural households in North Gonder to generate income is strengthened</p>	<p>Regional social and human health indicators</p> <p>Regional socio-economic and environmental indicators</p>	Baseline survey report SRHB/ WHO periodic reports, welfare monitoring survey report, monitoring and evaluation reports	<p>SRHB capacities and the political and security situation of the Somali region do not deteriorate</p> <p>Nationwide food security strategy is implemented Society is empowered to participate in decision-making processes</p>

Health sub-programme

	Logic of interventions	Objectively verifiable indicators	Sources of verification	Assumptions
Overall goal	Contribution towards the improvement of the health status of the population in SNRS	Maternal Mortality Ratio Child Mortality Rate Infant Mortality Rate HIV Prevalence Rate	Demographic and Health Survey Government (MoH, HSDP, CSA) and donor statistics/surveys (WB, UN), DHS, expert studies	
Purpose	Improved health service coverage and utilisation	Outpatient utilisation rate per capita Proportion of population living in 10 km radius of a primary health care unit Health professionals to population ratio (mid-level health workers and HEWs) Vaccination coverage (DPT3 and measles) % of births attended by skilled health personnel Proportion of woreda health offices using their HMIS data for annual planning Availability of alternative health service delivery strategy to pastoralist community	Baseline survey report Evaluation report MOH/SRHB/WHO periodic reports MOH health indicators Demographic and Health Survey	No significant natural calamities Security in Somali region is ensured SRHB capacities in place Current commitment of GoE to social sector maintains its pace
Results	1. The capacity of the SRHB to deliver technical and administrative back-up consolidated and enhanced	Proportion of WHOs with HMIS that meet minimum quality standard Number of WHOs with yearly POA prepared with technical support from the RHB Proportion of WHOs which receive supportive supervision and quality check Staff attrition rate Efficient budget utilisation rate according to plan	Baseline survey report Evaluation report Regular reports from SRHB, WHO and health facilities Surveys Reports of joint monitoring missions	Establishment of new positions for HMIS at woreda and health facility levels completed in due time without resistance from civil service authorities
	2. The capacity of target woredas to deliver quality basic health service strengthened	% of budget – allocated for health at woreda level Ratio of filled positions/posts to vacant at WHO Proportion of WHOs using HMIS software to compile their report Number of WHOs equipped and furnished to be able to deliver their task properly Proportion of functioning HFs in the woreda Proportion of HFs with essential drug stock without interruption Proportion of HFs receiving supportive supervision at least quarterly	Baseline survey report Evaluation report Regular reports from SRHB, WHO and health facilities Surveys Reports of joint monitoring missions	The new HRD strategy approved by the regional government Commitment of woreda administrations The frequency and severity of disease out-breaks will be in manageable range



Logic of interventions	Objectively verifiable indicators	Sources of verification	Assumptions
3. Pastoralist-friendly health service approaches within the target woredas promoted	Number of pastoralist health extension workers trained and deployed to target woreda Number of HFs with standard equipment Number of households graduated from pastoralist health extension programme	Baseline survey report Evaluation report Regular reports from SRHB, WHO and health facilities Surveys Reports of joint monitoring missions	Commitment of government to pastoralist community
4. Gender equality in health sector increased	Community awareness on HTP and HIV/AIDS (KAP level) Availability of functioning skill training centre Number of workshops conducted and females participated Number of female health workers trained Number of reports with gender disaggregated data	Baseline survey Evaluation report Reports from SRHB, WHOs	Existing smooth relationship between SRHB and women's affairs bureau maintained

Rural Development and Support to Food Security sub-programme

	Logic of interventions	Objectively verifiable indicators	Sources of verification	Assumptions
Overall goal	Contribution towards sustainable improvements of rural livelihoods	Poverty status of each strata in the ANRS	Government (CSA, BoFED, BoARD) and donor statistics/surveys (WB, UN)	
Purpose	The capability of rural households in North Gonder to generate income is strengthened	Per capita income assets creation Adoption of sustainable resource management practices Access to services and level of satisfaction	Welfare monitoring survey report Monitoring reports of SRMP-NG Independent mid-term and final evaluation reports User survey on service delivery satisfaction	Favourable economic, social and environmental policies and strategies are maintained Change in priorities of ADC do not dramatically affect the programme implementation Market prices do not discourage production of food crops Effects of adverse natural and man-made conditions are mitigated by concerted efforts of the people and GoE
Results	1. Income- generating activities improved 1.1 Market-oriented livestock development (MOLD) enhanced 1.2 Alternative livelihood options identified and promoted 1.3 Community- based tourism development promoted	Number of people benefiting from all income generation activities implemented. % increment of annual income of households participating in the income generation activities Number of alternative livelihoods options supported based on sound analysis Intensification/diversification of crop/livestock production	Project progress reports Reports of sample surveys and monitoring visits Report by BoARD, BCT, PaDPA Annual livestock assessments Private business records	Consumer interest towards diversified dairy consumption has increased Private sector interest to invest in agricultural sector continues The GoE regular programme continues to support smallholder farmers Small credits are provided for smallholder farmers
	2. Natural resource management practices enhanced 2.1 Integrated watershed management practices promoted 2.2 Park infrastructure and its management enhanced 2.3 Rural land administration strengthened	Number of community watershed planning and management units Functionalha of land where IWSM practices are adopted and land certificates in place Park management plan approved and implemented with community participation. Increase in number of tourists visiting Simen Mountain and Alatish parks within a defined carrying capacity Number of land-related conflicts reduced as a result of issuance of land certificates	Project progress reports, reports of sample surveys Reports of monitoring visits Reports by BoARD, PaDPA and EPLALUA	Communities contribute time and labour to watershed development activities Government offices use the guideline for the community-based participatory watershed development as basis for the design of their development interventions Tourists and tour agents continue to show interest in the parks EPLALUA continues to build its capacity down to woreda level Staff turnover remains at manageable level



2. M&E Matrix

The M&E Matrix builds on the logical framework and aims to provide quantitative and qualitative objectives to enable proper management and follow up during the implementation of the sub-programmes. It will track the progress made (in comparing data and information of monitoring reports with the established baseline) as well as help identify shortcomings and challenges. It will also pinpoint possible revisions of unrealistic indicators and benchmarks. As this monitoring and evaluation system is at a rather early stage of implementation, only those indicators from the logical framework with updated baseline data available are reflected.

At the same time it can serve as a basis for both the independent mid/term and final evaluation of the sub-programmes as well as a possible evaluation of the whole country programme.

Health sub-programme

Logic of Interventions	Indicators	Baselines	Benchmarks ⁷	Remarks
Contribution towards the improvement of the health status of the population in SNRS	Maternal Mortality Ratio	871 per 100,000 live births	600 per 100,000 live births	baseline is 2005 survey report and will be updated in 2010
	Child Mortality Rate	123 per 1,000 population	85 per 1,000 population	
	Infant Mortality Rate	77 per 1,000 population	45 per 1,000 population	
	HIV Prevalence Rate	0.8%	0.8%	
Improved health service coverage and utilisation	Outpatient utilisation rate per capita	0.10%	0.40%	
	Proportion of population living in 10 km radius of a primary health care unit	28.29%	50%	
	Vaccination coverage			
	■ DPT3	27%	60%	
	■ Measles	14%	60%	
	(%) of births attended by skilled health personnel	6%	32%	
	Proportion of woreda health offices that used their HMIS data for annual planning	13%	75%	
Availability of alternative health service delivery strategy to pastoralist community	No alternative health service delivery strategy is available	Pastoralist health extension programme has been implemented in all target woredas		

⁷ The aim of the sub-programme is to support the implementation of the health sector development programme in the region so the target mostly reflects the national and regional targets set by the ministry of health and regional health bureau.

Logic of Interventions	Indicators	Baselines	Benchmarks ⁸	Remarks
1. The capacity of the SRHB to deliver technical and administrative back-up consolidated and enhanced	Proportion of WHO's with HMIS that meet minimum quality standard	0	40%	
	Number of WHO's with Yearly POA prepared with technical support from the RHB	0	100%	
	Proportion of WHO's getting supportive supervision and quality check	25%	75%	
	Proportion of WHO's using HMIS software to compile their report	0	50%	
		Number of WHO's equipped and furnished to be able to deliver their task properly	3	8
	Proportion of HF's with essential drug stock without interruption	0	10%	
	Proportion of HF's receiving supportive supervision at least quarterly	45%	60%	
3. Pastoralist-friendly health service approaches within the target woredas promoted	Number of pastoralist health extension workers trained and deployed to target woreda	0	400	236 will be deployed to target woredas
	Proportion of HF's with standard equipment	69%	75%	
	Number of households graduated from pastoralist health extension programme	0	800	
	Availability of functioning skill training centre	The centre is available but without material and equipment	Fully equipped and functional	
	Number of workshops conducted with female participation	0	5	The baselines refer only to this sub-programme
	Number of female health workers trained	0	39	

⁸ The aim of the sub-programme is to support the implementation of the health sector development programme in the region so the target mostly reflects the national and regional targets set by the ministry of health and regional health bureau.



Rural Development and Support to Food Security sub-programme

Logic of Interventions	Indicators	Baselines	Benchmarks	Remarks
Contribution towards sustainable improvements of rural livelihoods	Poverty status of each strata in the ANRS			
The capability of rural households in North Gonder to generate income is strengthened	Per capita income and assets creation	Ethiopian Birr (ETB) 1130; annual per capita income (*)	25% of participating households increase their annual income by 100% 5% hh have created additional assets	(*) average for Amhara region (2007)
	Increase in production and productivity.	Average yield and production of major crops and livestock products in 2007 (*)	50% increase in yield of major crops; and livestock productivity	(*) average for each beneficiary kebele/woreda (2007)
	Adoption of sustainable resource management practices	(*)	Total area (ha) of land rehabilitated; % increase in forest coverage; Improved park management practices	(*) combination of baseline data from result 3
	Access to services and increased level of satisfaction	Current level of satisfaction (*)	% increase in level of satisfaction	(*) user survey on sample households
1. Income generating activities improved	Number of people benefiting from all income-generation activities implemented	0	250,000 people (50,000 households)	
1.1 Market-oriented livestock development (MOLD) enhanced	(%) increment of annual income of households participating in the income generation activities	ETB 1130; annual per capita income (*)	100% increase in annual income beneficiary households	(*) average for Amhara region (2007)
1.2 Alternative livelihood options identified and promoted	Number of alternative livelihood options supported based on sound analysis	0	10 alternative livelihood options assessed and supported	
1.3 Community-based tourism development promoted	Intensification/diversification of crop/livestock production	(*)	6 new crop varieties and 2 improved livestock breeds introduced	(*) Practices in, 2007
2. Natural resource management practices enhanced	Number of community watershed planning and management units functional	0	50 watersheds planned and implemented and 35 watershed planning units active	
2.1 Integrated watershed management practices promoted	ha of land where IWSM practices are adopted and land certificates in place	0	10,000 ha treated with appropriate SWC measures	
2.2 Park infrastructure and its management enhanced	Park management plan approved and implemented with participation of communities	Park status at end of 2007 (before start of implementation of GMP of SMNP)	50% GMP of SMNP implemented (*)	(*) Voluntary relocation of settlement within the park to other areas, and reduced encroachment on park both by humans and livestock.
2.3 Rural land administration strengthened				

Logic of Interventions	Indicators	Baselines	Benchmarks	Remarks
	Increase in number of tourists visiting Simen Mountain and Alatish parks within a defined carrying capacity	7,000 to SMNP and none to ANP in 2007; average of 3 days stay in SMNP	14,000 tourists ⁹ per year in SMNP and – 1,000 tourists per year at ANP. Average stay 5 days	
	Number of land-related conflicts reduced as a result of issuance of land certificates	(*)	Land-related conflicts reduced by 50%	(*) survey for number of land related conflicts in 2007
3. Institutional capacity strengthened and gender equity promoted	Volume and number of woreda development funds/revolving funds operational and effective	0	ETB 2 million allocated and used as development fund/revolving fund in 19 woredas and 38 kebeles	
	Efficient M&E system in place	Draft M&E guidelines	All regular programme reports produced using the M&E systems (*)	quarterly, bi-annual, annual, mid-term and end of programme evaluation
	Number of women benefiting from participation in programme result areas	0	15,000 women (30% of the total beneficiary households.)	
	(%) annual increment of income of women participating in programme result areas	ETB 1130; annual per capita income (*)	At least 100% increase in annual per capita income	Average figure for Amhara region (2007)
4. Rural towns/villages access to grid electricity improved	Number of rural towns/villages connected to the grid	0	3 towns/villages	Programme supports electrification of villages not already connected
	Number of households connected	0	15,000 people	
	Number of new business established as a result of supply of electricity towns/villages	0	30 small businesses (10 per town/village)	

⁹ Based on growth rate of 16% per year, draft GMP SMNP page 81.